

Devon Investment Funds
Financial Statements
For the year ended 31 March 2024

Manager's Statement

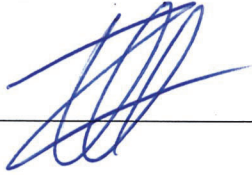
In the opinion of the Manager, the accompanying Financial Statements are drawn up so as to present fairly the financial position of the Devon Investment Funds as at 31 March 2024 and their results for the year ended on that date, in accordance with the requirements of the Trust Deed dated 30 September 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, 25 February 2022 for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund and 19 December 2022 for the Artesian Green and Sustainable Bond Fund (NZD) ("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

23 July 2024



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 2024.

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		Devon Trans-Tasman Fund	
			2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Income												
Interest income		10	535,235	275,599	13,994	9,240	173,745	151,848	18,886	9,709	64,141	26,753
Dividend and distribution income			2,896,183	3,177,566	413,213	569,838	105,484	87,410	949,136	1,089,454	2,001,915	2,274,230
Net foreign currency (losses)/gains			(113,991)	(112,175)	3,801	(28,127)	-	-	2,971	18,781	1,463	(24,369)
Net gain/(loss) on financial assets and liabilities at fair value through profit or loss			17,829,500	4,914,502	1,593,096	(311,368)	56,533	(165,269)	450,967	(942,378)	6,216,972	(290,711)
Fee rebates			-	-	-	-	15,927	16,772	-	-	-	-
Other income			-	-	26	10	-	-	-	-	830	-
Total income			21,146,927	8,255,492	2,024,130	239,593	351,689	90,761	1,421,960	175,566	8,285,321	1,985,903
Expenses												
Management and performance fees		9	2,956,840	1,182,466	124,302	148,538	40,471	41,333	135,494	188,830	735,235	721,974
Expense allowance		9	370,564	333,159	33,725	41,504	17,161	17,429	65,792	74,806	181,603	181,923
Transaction costs			2,113,742	1,620,844	33,456	43,614	1,699	3,275	26,095	27,286	312,750	279,991
Other expenses			2,086	1,029	63	(96)	144	159	498	995	3,477	2,944
Total operating expenses			5,443,232	3,137,498	191,546	233,560	59,475	62,196	227,879	291,917	1,233,065	1,186,832
Operating profit/(loss)			15,703,695	5,117,994	1,832,584	6,033	292,214	28,565	1,194,081	(116,351)	7,052,256	799,071
Profit/(loss) for the year attributable to Unitholders			15,703,695	5,117,994	1,832,584	6,033	292,214	28,565	1,194,081	(116,351)	7,052,256	799,071
Total comprehensive income/(loss) for the year attributable to Unitholders			15,703,695	5,117,994	1,832,584	6,033	292,214	28,565	1,194,081	(116,351)	7,052,256	799,071

\$	For the year ended 31 March	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
			2024	2023	2024	2023	2024	2023	2024	
Income										
Interest income/(expense)		10	10,958	1,628	(13,879)	17,298	(2,489)	8,909	926	
Dividend and distribution income			-	-	-	-	-	-	66,505	
Net foreign currency gains			-	-	-	-	-	-	2,486	
Net gain on financial assets and liabilities at fair value through profit or loss			2,671,787	480,624	2,408,625	68,342	10,239,028	2,438,122	159,655	
Fee rebates			200,541	-	46,261	22,772	44,564	23,666	1,779	
Total income			2,883,286	482,252	2,441,007	108,412	10,281,103	2,470,697	231,351	
Expenses										
Management and performance fees		9	269,685	206,569	161,400	80,268	434,688	230,960	10,275	
Expense allowance		9	76,389	58,511	134,461	66,871	129,606	68,863	8,560	
Other expenses			21	13	129	273	66	214	-	
Total operating expenses			346,095	265,093	295,990	147,412	564,360	300,037	18,835	
Operating profit/(loss)			2,537,191	217,159	2,145,017	(39,000)	9,716,743	2,170,660	212,516	
Profit/(loss) for the year attributable to Unitholders			2,537,191	217,159	2,145,017	(39,000)	9,716,743	2,170,660	212,516	
Total comprehensive income/(loss) for the year attributable to Unitholders			2,537,191	217,159	2,145,017	(39,000)	9,716,743	2,170,660	212,516	

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

** The current period results for the Artesian Green and Sustainable Bond Fund (NZD) is from 19 June 2023 (commencement date) to 31 March 2024.

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		Devon Trans-Tasman Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March											
Net assets attributable to Unitholders at the beginning 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	62,364,301	67,523,109
Proceeds from units issued*											
		24,397,324	25,394,277	1,253,297	4,221,049	227,393	558,011	3,101,365	2,525,619	18,556,073	5,780,670
Redemption of units*											
		(19,843,154)	(19,949,757)	(1,813,527)	(9,770,335)	(478,141)	(623,452)	(4,139,359)	(6,869,860)	(12,325,684)	(9,093,753)
Distributions											
		(3,551,096)	(3,448,641)	(459,733)	(588,354)	(236,587)	(247,554)	(986,739)	(1,146,387)	(2,364,574)	(2,602,337)
Unitholder tax liabilities											
		(45,634)	(117,555)	(19,481)	(19,456)	(38,170)	(17,966)	(17,152)	(16,717)	(35,846)	(42,459)
Net increase/(decrease) from transaction with Unitholders											
		957,440	1,878,324	(1,039,444)	(6,157,096)	(525,505)	(330,961)	(2,041,885)	(5,307,345)	3,829,969	(5,957,879)
Total comprehensive income/(loss) for the year attributable to Unitholders											
		15,703,695	5,117,994	1,832,584	6,033	292,214	28,565	1,194,081	(116,351)	7,052,256	799,071
Net assets attributable to Unitholders at the end of the year											
		138,462,961	121,801,826	12,673,209	11,880,069	5,773,380	6,006,671	18,782,511	19,630,315	73,246,526	62,364,301

Units	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March											
Units on issue at the beginning 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	13,563,786	14,278,746
Units issued*											
		11,086,243	11,825,467	765,553	2,694,771	158,420	386,737	1,660,470	1,322,001	4,058,401	1,288,092
Units redeemed*											
		(8,915,451)	(9,396,698)	(1,140,340)	(6,165,117)	(357,460)	(444,849)	(2,237,639)	(3,536,227)	(2,669,699)	(2,003,052)
Units on issue at the end of the year											
		58,173,414	56,002,622	7,073,582	7,448,369	3,948,901	4,147,941	9,781,287	10,358,456	14,952,488	13,563,786

* Issuance and redemptions for the year ended 31 March 2023 have been restated to exclude intrafund transfers previously recognised on a gross basis. The intrafund transfers are transfers of units within the same Fund for registry purposes and do not represent units issued and redeemed by and from the Fund. The tables below set out the adjustments for each Fund. There is no impact to 'Net assets attributable to Unitholders at the end of the year' and the 'Units on issue at the end of the year'."

For the year ended 31 March 2023	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
		Units	\$	Units	\$	Units	\$	Units	\$	Units	\$
Reduction in issuance and redemptions											
		2,984,722	6,278,903	-	-	710,262	1,027,716	327,825	623,677	48,884	221,558

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

Statements of Changes in Net Assets Attributable to Unitholders

\$	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
		2024	2023	2024	2023	2024	2023	2024	
For the year ended 31 March									
Net assets attributable to Unitholders at the beginning of the year		26,142,641	14,997,771	44,876,423	-	37,372,768	-	-	
Proceeds from units issued***		2,533,514	12,235,830	16,850,684	46,625,962	8,988,425	35,643,886	8,381,117	
Redemption of units***		(1,637,971)	(551,603)	(10,957,561)	(853,990)	(1,229,488)	(440,958)	(242,921)	
Distributions		(1,042,929)	(751,052)	(2,616,229)	(844,619)	-	-	(9,182)	
Unitholder tax liabilities		(2,441)	(5,464)	(14,502)	(11,930)	(4,716)	(820)	(7,136)	
Net (decrease)/increase from transaction with Unitholders		(149,827)	10,927,711	3,262,392	44,915,423	7,754,221	35,202,108	8,121,878	
Total comprehensive income/(loss) for the year attributable to Unitholders		2,537,191	217,159	2,145,017	(39,000)	9,716,743	2,170,660	212,516	
Net assets attributable to Unitholders at the end of the year		28,530,005	26,142,641	50,283,832	44,876,423	54,843,732	37,372,768	8,334,394	

Units	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
		2024	2023	2024	2023	2024	2023	2024	
For the year ended 31 March									
Units on issue at the beginning of the year		8,153,554	4,411,996	32,300,881	-	24,166,133	-	-	
Units issued***		801,495	3,913,555	12,412,985	32,925,649	5,459,517	24,465,411	8,182,428	
Units redeemed***		(520,503)	(171,997)	(8,156,085)	(624,768)	(735,652)	(299,278)	(233,560)	
Units on issue at the end of the year		8,434,546	8,153,554	36,557,781	32,300,881	28,889,998	24,166,133	7,948,868	

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

** The current period results for the Artesian Green and Sustainable Bond Fund (NZD) is from 19 June 2023 (commencement date) to 31 March 2024.

*** Issuance and redemptions for the year ended 31 March 2023 have been restated to exclude intrafund transfers previously recognised on a gross basis. The intrafund transfers are transfers of units within the same Fund for registry purposes and do not represent units issued and redeemed by and from the Fund. The tables below set out the adjustments for each Fund. There is no impact to 'Net assets attributable to Unitholders at the end of the year' and the 'Units on issue at the end of the year'."

Units	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
		Units	\$	Units	\$	Units	\$	Units	\$
For the year ended 31 March 2023									
Reduction in issuance and redemptions		5,633	17,544	1,479,401	2,054,574	83,945	124,515		

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		Devon Trans-Tasman Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Assets											
Cash and cash equivalents		19,582,968	9,602,972	705,734	462,259	476,008	1,050,203	857,464	310,377	644,274	1,669,108
Financial assets at fair value through profit or loss	6	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102
Outstanding settlements receivable		-	2,314,142	85,497	-	-	-	-	-	893,709	260,677
Related party receivables	9	-	-	-	-	1,244	3,938	-	-	-	-
Contributions receivable		120,196	33,553	-	56	-	-	422	86,263	8,988	6,818
Other receivables		235,921	402,724	45,966	48,975	34,636	31,084	157,877	178,132	277,188	281,222
Tax receivable on behalf of unitholders		1,926	622	-	-	-	6	2,345	1,618	2,996	3,486
Total assets		146,466,200	123,243,685	12,947,902	11,908,874	5,816,215	6,030,895	18,930,450	19,673,269	74,223,133	62,976,413
Liabilities											
Financial liabilities at fair value through profit or loss	7	407,951	-	-	-	-	-	114,811	-	-	-
Outstanding settlements payable		5,243,626	1,162,819	244,831	-	-	-	-	-	806,029	468,484
Related party payables	9	1,799,761	133,637	13,522	13,143	4,665	6,252	16,590	17,571	92,928	68,649
Withdrawals payable		554,520	59,430	-	-	-	-	-	9,248	49,934	39,343
Tax payable on behalf of unitholders		17,381	85,973	16,340	15,662	38,170	17,972	16,538	16,135	27,716	35,636
Total liabilities		8,023,239	1,441,859	274,693	28,805	42,835	24,224	147,939	42,954	976,607	612,112
Net assets attributable to Unitholders		138,462,961	121,801,826	12,673,209	11,880,069	5,773,380	6,006,671	18,782,511	19,630,315	73,246,526	62,364,301

\$ As at 31 March	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
		2024	2023	2024	2023	2024	2023	2024	2023
Assets									
Cash and cash equivalents		230,405	63,224	851,262	1,635,462	564,719	2,558,212	167,897	-
Financial assets at fair value through profit or loss	6	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214	-
Related party receivables	9	14,363	-	-	-	-	-	-	-
Contributions receivable		168	75	1,500,147	-	-	-	30,460	-
Other receivables		104	-	4,031	20,880	4,464	11,795	479	-
Tax receivable on behalf of unitholders		217	119	-	-	-	-	-	-
Total assets		28,650,521	26,176,896	50,324,407	45,916,684	55,445,431	39,742,417	8,499,050	-
Liabilities									
Financial liabilities at fair value through profit or loss	7	-	-	-	-	540,839	132,379	156,072	-
Outstanding settlements payable		-	-	-	1,000,000	-	2,200,000	-	-
Related party payables	9	116,827	28,672	25,777	23,093	56,144	36,450	4,281	-
Withdrawals payable		1,031	-	296	5,238	-	-	3,817	-
Tax payable on behalf of unitholders		2,658	5,583	14,502	11,930	4,716	820	486	-
Total liabilities		120,516	34,255	40,575	1,040,261	601,699	2,369,649	164,656	-
Net assets attributable to Unitholders		28,530,005	26,142,641	50,283,832	44,876,423	54,843,732	37,372,768	8,334,394	-

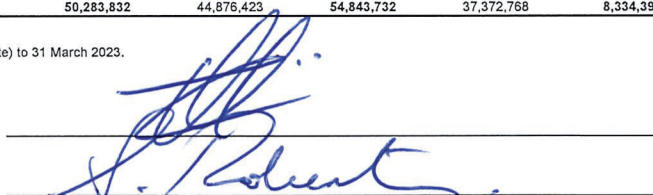
* The comparative period results for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund are from 25 February 2022 (commencement date) to 31 March 2023.

** The current period results for the Artesian Green and Sustainable Bond Fund (NZD) is from 19 June 2023 (commencement date) to 31 March 2024.

The Directors of Devon Funds Management Limited authorised these Financial Statements for issue on 23 July 2024.

Director

Director



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

Statements of Cash Flows

\$	Note	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash flows from operating activities											
Proceeds from sale of financial assets at fair value through profit or loss		590,146,723	467,782,690	10,084,510	20,837,844	214,892	1,183,664	8,179,334	11,494,603	89,704,170	92,797,494
Purchase of financial assets at fair value through profit or loss		(582,860,464)	(464,152,127)	(9,044,907)	(15,310,688)	(437,672)	(906,227)	(6,467,015)	(6,896,285)	(95,268,323)	(86,593,688)
Net settlement of forward currency contracts		1,739,418	632,272	-	-	-	-	182,486	(129,225)	-	-
Dividends and distributions received		3,006,236	3,123,264	415,827	594,738	24,242	5,313	825,539	1,057,761	1,848,462	2,182,005
Interest income received		532,706	248,102	13,499	9,596	172,085	140,441	18,248	9,536	64,110	25,911
Operating expenses paid		(3,770,721)	(3,538,768)	(191,167)	(248,392)	(61,062)	(61,021)	(228,860)	(312,502)	(1,207,351)	(1,192,151)
Other income		-	-	26	10	18,621	15,662	-	1	830	-
Net cash inflow/(outflow) from operating activities	11	8,793,898	4,095,433	1,277,788	5,883,108	(68,894)	377,832	2,509,732	5,223,889	(4,858,102)	7,219,571
Cash flows from financing activities											
Proceeds from units issued		22,814,929	23,987,398	1,141,946	4,066,983	77,635	407,945	2,786,724	2,002,495	17,711,018	4,867,995
Redemptions of units		(19,348,064)	(19,891,104)	(1,813,527)	(9,770,335)	(478,141)	(623,452)	(4,148,607)	(6,699,404)	(12,315,093)	(9,066,609)
Distributions paid		(2,055,344)	(2,061,738)	(348,326)	(434,094)	(86,829)	(97,488)	(586,257)	(709,186)	(1,521,689)	(1,666,709)
Unitholders tax liabilities		(115,530)	(63,172)	(18,803)	(16,769)	(17,966)	25,695	(17,476)	(15,464)	(43,276)	(44,398)
Net cash inflow/(outflow) from financing activities		1,295,991	1,971,384	(1,038,710)	(6,154,215)	(505,301)	(287,300)	(1,965,616)	(5,421,559)	3,830,960	(5,909,721)
Net increase/(decrease) in cash and cash equivalents		10,089,889	6,066,817	239,078	(271,107)	(574,195)	90,532	544,116	(197,670)	(1,027,142)	1,309,850
Cash and cash equivalents at the beginning of the year		9,602,972	3,648,330	462,259	761,862	1,050,203	959,671	310,377	488,985	1,669,108	384,410
Net foreign currency (losses)/gains on financial assets at amortised cost		(109,893)	(112,175)	4,397	(28,496)	-	-	2,971	19,062	2,308	(25,152)
Cash and cash equivalents at the end of the year		19,582,968	9,602,972	705,734	462,259	476,008	1,050,203	857,464	310,377	644,274	1,669,108

\$	Note	Devon Sustainability Fund		Devon Global Impact Bond Fund *		Devon Global Sustainability Fund *		Artesian Green and Sustainable Bond Fund (NZD) **	
		2024	2023	2024	2023	2024	2023	2024	
Cash flows from operating activities									
Proceeds from sale of financial assets at fair value through profit or loss		1,385,001	915,002	9,100,000	-	300,000	2,049,152	-	-
Purchase of financial assets at fair value through profit or loss		(1,005,000)	(12,382,024)	(11,400,000)	(43,192,000)	(9,300,000)	(34,229,311)	(7,936,122)	-
Net settlement of forward currency contracts		-	-	-	-	(256,350)	(221,750)	14,569	-
Dividends and distributions received		-	-	-	-	-	-	6,650	-
Interest income received		10,854	1,628	3,419	-	6,420	-	853	-
Operating expenses paid		(343,754)	(251,942)	(293,306)	(124,319)	(544,666)	(263,587)	(14,554)	-
Other income		271,992	-	45,812	19,190	42,986	20,780	1,373	-
Net cash inflow/(outflow) from operating activities	11	319,093	(11,717,336)	(2,544,075)	(43,297,129)	(9,751,610)	(32,644,716)	(7,927,231)	
Cash flows from financing activities									
Proceeds from units issued		2,406,082	12,094,069	15,006,226	46,500,612	8,988,425	35,643,886	8,344,080	-
Redemptions of units		(1,636,940)	(551,603)	(10,962,503)	(848,752)	(1,229,488)	(440,958)	(239,104)	-
Distributions paid		(915,590)	(609,299)	(2,271,918)	(719,269)	-	-	(2,605)	-
Unitholders tax liabilities		(5,464)	(2,162)	(11,930)	-	(820)	-	(6,650)	-
Net cash (outflow)/inflow from financing activities		(151,912)	10,931,005	1,759,875	44,932,591	7,758,117	35,202,928	8,095,721	
Net increase/(decrease) in cash and cash equivalents		167,181	(786,331)	(784,200)	1,635,462	(1,993,493)	2,558,212	168,490	
Cash and cash equivalents at the beginning of the year		63,224	849,555	1,635,462	-	2,558,212	-	-	
Net foreign currency losses on financial assets at amortised cost		-	-	-	-	-	-	(593)	
Cash and cash equivalents at the end of the year/period		230,405	63,224	851,262	1,635,462	564,719	2,558,212	167,897	

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

** The current period results for the Artesian Green and Sustainable Bond Fund (NZD) is from 19 June 2023 (commencement date) to 31 March 2024.

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 2024 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, Devon Global Sustainability Fund and Artesian Green and Sustainable Bond Fund (NZD) (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, 25 February 2022 for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund and 19 December 2022 for the Artesian Green and Sustainable Bond Fund (NZD). 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, which are in line with the Product Disclosure Statement, 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. The Fund also aims to deliver 5% return above the MSCI ESG benchmark over a rolling three-year period.
- * 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.
- * Artesian Green and Sustainable Bond Fund (NZD) 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 at the offices of Devon Funds Management Limited, 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 23 July 2024.

Statutory Base

The Funds are 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 2024, except for the Artesian Green and Sustainable Bond Fund (NZD) for which the financial statements are from 19 June 2023 (commencement date) to 31 March 2024, and the comparative figures are for the year ended 31 March 2023, except for the Devon Global Impact Bond Fund and the Devon Global Sustainability Fund for which the financial statements are from 28 March 2022 (commencement date) to 31 March 2023.

2. Summary of material 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 as issued by the International Accounting Standards Board (IFRS Accounting Standards). 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. All values have been rounded to the nearest dollar, except where otherwise indicated.

New standards and amendments to existing standards impacting the Funds

Amendments to NZ IAS 1 'Presentation of Financial Statements' and amendments to IFRS Practice Statement 2 'Making Materiality Judgements'

Effective 1 January 2023, the amendments replaced the requirement for entities to disclose significant accounting policies with a requirement to disclose material accounting policy information. There was no material impact on the Financial Statements of the Funds due to the amendments.

NZ IFRS 18 'Presentation and Disclosure in Financial Statements'

In May 2024, the XRB introduced NZ IFRS 18 effective for annual reporting periods beginning on or after 1 January 2027. This standard replaces NZ IAS 1 and primarily introduces a defined structure for the statement of comprehensive income and disclosure of management-defined performance measures (a subset of non-GAAP measures) in a single note together with reconciliation requirements. The Funds have not early adopted this standard and the Manager is yet to assess its impacts.

There are no other new standards or amendments to existing standards that are effective for the year commencing on 1 April 2023 which have a material effect on the Financial Statements of the Funds. There are also no other new standards or amendments issued but not yet effective, that could have a material effect on the Funds.

Legislation has been enacted that requires Climate Reporting Entities to prepare annual Climate Statements in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board. These requirements took effect for annual reporting periods commencing 1 January 2023. The Manager has determined that the Funds are not required to report in accordance with the new standards.

Notes to the Financial Statements

2. Summary of material 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 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 material 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.

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.

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

- (i) Unitholders are entitled to a pro rate share of the Funds' net assets in the event of the Funds' liquidation or maturity,
- (ii) apart from the contractual obligation of the issuer to redeem the instrument for cash or another financial asset, the instrument does not include contractual obligations to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under potentially unfavorable conditions to the entity, and
- (iii) the total expected cash flows attributable to the instrument over its life is based substantially on the profit or loss and changes in the recognised net assets or the change in fair value of the recognised and unrecognised net assets of the entity over the life of the instrument.

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 material 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:

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Forward exchange contracts (notional value in NZ\$)										
Sell AUD/Buy NZD	71,099,613	40,596,965	-	-	-	-	5,735,722	6,603,123	-	-
Forward exchange contracts (fair value in NZ\$)										
Sell AUD/Buy NZD	(407,951)	461,578	-	-	-	-	(114,811)	113,973	-	-

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
Forward exchange contracts (notional value in NZ\$)								
Sell AUD/Buy NZD	-	-	-	-	-	-	8,107,124	-
Sell CHF/Buy NZD	-	-	-	-	549,548	559,712	-	-
Sell CAD/Buy NZD	-	-	-	-	274,863	774,013	-	-
Sell EUR/Buy NZD	-	-	-	-	5,602,634	3,818,000	-	-
Sell GBP/Buy NZD	-	-	-	-	1,916,777	1,552,266	-	-
Sell JPY/Buy NZD	-	-	-	-	1,463,756	854,163	-	-
Sell USD/Buy NZD	-	-	-	-	15,435,041	9,451,337	-	-
Forward exchange contracts (fair value in NZ\$)								
Sell AUD/Buy NZD	-	-	-	-	-	-	(156,072)	-
Sell CHF/Buy NZD	-	-	-	-	3,193	(5,743)	-	-
Sell CAD/Buy NZD	-	-	-	-	(3,327)	1,359	-	-
Sell EUR/Buy NZD	-	-	-	-	(107,490)	(47,943)	-	-
Sell GBP/Buy NZD	-	-	-	-	(37,174)	(40,736)	-	-
Sell JPY/Buy NZD	-	-	-	-	(4,136)	1,633	-	-
Sell USD/Buy NZD	-	-	-	-	(386,276)	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, the Devon Global Sustainability Fund and the Artesian Green and Sustainable Bond Fund (NZD) 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. Climate risk is also one of many factors that are considered in assessing financial risks and applying risk management strategies. The assessment of the impacts of climate risk is ongoing.

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, the Devon Global Sustainability Fund and the Artesian Green and Sustainable Bond Fund (NZD) 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. Further information related to price risk management can be found at <https://devonfunds.co.nz/devon-funds-statement-investment-policy-and-objectives>.

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 market conditions and 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
10% increase in prices	12,654,519	11,042,809	1,211,071	1,139,758	197,401	183,054	1,791,234	1,898,291	7,239,598	6,075,510
10% decrease in prices	(12,654,519)	(11,042,809)	(1,211,071)	(1,139,758)	(197,401)	(183,054)	(1,791,234)	(1,898,291)	(7,239,598)	(6,075,510)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
10% increase in prices	2,840,526	2,611,348	4,796,897	4,426,034	5,487,062	3,707,980	830,021	
10% decrease in prices	(2,840,526)	(2,611,348)	(4,796,897)	(4,426,034)	(5,487,062)	(3,707,980)	(830,021)	

(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, the Devon Global Sustainability Fund and the Artesian Green and Sustainable Bond Fund (NZD) 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)										
Australian Dollar (AUD)	(60,722,169)	(34,601,966)	326,945	371,867	-	-	(5,298,252)	(6,342,379)	356,616	470,059
United States Dollar (USD)	37,281	38,979	12,170	14,978	-	-	1,488	-	24,244	30,030

Notes to the Financial Statements

5. Financial risk management (continued)

5.1.1 Market risk (continued)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Monetary assets/(liabilities)							
Australian Dollar (AUD)	-	-	-	-	-	-	(8,257,168)
Swiss Franc (CHF)	-	-	-	-	(544,574)	(563,657)	-
Euro (EUR)	-	-	-	-	(5,704,024)	(3,859,676)	-
Pound Sterling (GBP)	-	-	-	-	(1,953,870)	(1,592,237)	-
Japanese Yen (JPY)	-	-	-	-	(1,461,231)	(848,576)	-
Canadian Dollar (CAD)	-	-	-	-	(278,104)	(772,326)	-
United States Dollar (USD)	-	-	-	-	(15,823,930)	(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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Monetary assets/(liabilities)										
Exchange rates increased by 10%	5,516,808	3,142,090	(30,829)	(35,168)	-	-	481,524	576,580	(34,624)	(45,483)
Exchange rates decreased by 10%	(6,742,765)	(3,840,332)	37,679	42,983	-	-	(588,529)	(704,709)	42,318	55,565

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Monetary assets/(liabilities)							
Exchange rates increased by 10%	-	-	-	-	2,342,339	1,548,741	750,652
Exchange rates decreased by 10%	-	-	-	-	(2,862,859)	(1,892,906)	(917,463)

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non monetary assets/(liabilities)										
Australian Dollar (AUD)	102,661,113	83,303,028	12,110,705	11,397,586	-	-	6,041,232	6,792,997	38,672,604	33,596,668

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Non monetary assets/(liabilities)							
Australian Dollar (AUD)	-	-	-	-	-	-	8,300,214

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% (2023: 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Non monetary assets/(liabilities)										
Exchange rates increased by 10%	(9,332,828)	(7,573,003)	(1,100,973)	(1,036,144)	-	-	(549,203)	(617,545)	(3,515,691)	(3,054,243)
Exchange rates decreased by 10%	11,406,790	9,255,892	1,345,634	1,266,398	-	-	671,248	754,777	4,296,956	3,732,963

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Non monetary assets/(liabilities)							
Exchange rates increased by 10%	-	-	-	-	-	-	(754,565)
Exchange rates decreased by 10%	-	-	-	-	-	-	922,246

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% (2023: 1.0%) 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.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Increase of 1.0% (31 March 2023: Increase of 1.0%)	195,830	96,030	7,057	4,623	4,760	10,502	8,575	3,104	6,443	16,691
Decrease of 1.0% (31 March 2023: Decrease of 1.0%)	(195,830)	(96,030)	(7,057)	(4,623)	(4,760)	(10,502)	(8,575)	(3,104)	(6,443)	(16,691)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
Increase of 1.0% (31 March 2023: Increase of 1.0%)	2,304	632	8,513	16,355	5,647	25,582	1,679	
Decrease of 1.0% (31 March 2023: Decrease of 1.0%)	(2,304)	(632)	(8,513)	(16,355)	(5,647)	(25,582)	(1,679)	

(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 1.0% (2023: 1.0%), 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.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Increase of 1.0% (31 March 2023: Increase of 1.0%)	-	-	-	-	(72,580)	(81,980)	-	-	-	-
Decrease of 1.0% (31 March 2023: Decrease of 1.0%)	-	-	-	-	75,161	85,118	-	-	-	-

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 investment manager of the funds manage credit risk by establishing controls which are either specified in the guidelines set by the Manager or outlined in the product disclosure statement/information memorandum of underlying unit trust investments that it makes. 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, the Devon Global Sustainability Fund and the Artesian Green and Sustainable Bond Fund (NZD) 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents										
AA-	1,845,853	1,845,853	-	-	355,937	605,936	-	-	-	-
A to A-	17,737,115	7,757,120	705,734	462,259	120,071	444,267	857,464	310,378	644,274	1,669,108
	19,582,968	9,602,973	705,734	462,259	476,008	1,050,203	857,464	310,378	644,274	1,669,108
Fixed interest securities										
AA+ to AA-	-	-	-	-	1,942,417	1,912,758	-	-	-	-
A+ to A-	-	-	-	-	343,117	335,351	-	-	-	-
BBB+ to BBB-	-	-	-	-	727,853	704,495	-	-	-	-
Unrated	-	-	-	-	165,526	162,518	-	-	-	-
	-	-	-	-	3,330,315	3,115,122	-	-	-	-
Preference Shares										
Unrated	-	-	-	-	558,138	-	-	-	-	-
	-	-	-	-	558,138	-	-	-	-	-

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
Cash and cash equivalents								
A to A-	230,405	63,224	851,262	1,635,462	564,719	2,558,212	167,897	-
	230,405	63,224	851,262	1,635,462	564,719	2,558,212	167,897	-

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 2024 and 31 March 2023:

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 cost) 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.

Notes to the Financial Statements

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 2024, the Funds held no investments that are considered illiquid (31 March 2023: nil).

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.

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial liabilities at fair value through profit or loss										
7 days to 1 month	203,615	-	-	-	-	-	66,162	-	-	-
1 month to 3 months	204,336	-	-	-	-	-	48,649	-	-	-
Outstanding settlements										
Less than 7 days	5,243,626	1,162,819	244,831	-	-	-	-	-	806,029	468,484
Related party payables										
7 days to 1 month	1,799,761	133,637	13,522	13,143	4,665	6,252	16,590	17,571	92,928	68,649
Withdrawals payable										
Less than 7 days	554,520	59,430	-	-	-	-	-	9,248	49,934	39,343

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Financial liabilities at fair value through profit or loss								
7 days to 1 month	-	-	-	-	220,703	97,788	89,665	
1 month to 3 months	-	-	-	-	320,136	34,591	66,407	
Outstanding settlements								
Less than 7 days	-	-	-	1,000,000	-	2,200,000	-	
Related party payables								
7 days to 1 month	116,827	28,672	25,777	23,093	56,144	36,450	4,281	
Withdrawals payable								
Less than 7 days	1,031	-	296	5,238	-	-	3,817	

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Level 1 Assets										
<i>Financial assets at fair value through profit or loss</i>										
Listed equities	126,545,189	110,428,094	12,110,705	11,397,584	-	-	17,912,342	18,982,906	72,395,978	60,755,102
Total Level 1 Assets	126,545,189	110,428,094	12,110,705	11,397,584	-	-	17,912,342	18,982,906	72,395,978	60,755,102
Level 2 Assets										
<i>Financial assets at fair value through profit or loss</i>										
Forward foreign exchange contracts	-	461,578	-	-	-	-	-	113,973	-	-
Fixed interest securities	-	-	-	-	3,330,315	3,115,122	-	-	-	-
Preference shares	-	-	-	-	558,138	294,000	-	-	-	-
Unlisted trusts	-	-	-	-	1,415,874	1,536,542	-	-	-	-
Total Level 2 Assets	-	461,578	-	-	5,304,327	4,945,664	-	113,973	-	-
Total financial assets at fair value through profit or loss	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102
Level 2 Liabilities										
<i>Financial liabilities at fair value through profit or loss</i>										
Forward foreign exchange contracts	407,951	-	-	-	-	-	114,811	-	-	-
Total Level 2 Liabilities	407,951	-	-	-	-	-	114,811	-	-	-
Total financial liabilities at fair value through profit or loss	407,951	-	-	-	-	-	114,811	-	-	-

Notes to the Financial Statements

5. Financial risk management (continued)

5.3 Fair value estimation (continued)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Level 2 Assets							
<i>Financial assets at fair value through profit or loss</i>							
Forward foreign exchange contracts	-	-	-	-	5,629	92,612	-
Unlisted trusts	28,405,264	26,113,478	47,968,967	44,260,342	54,870,619	37,079,798	8,300,214
Total Level 2 Assets	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214
Total financial assets at fair value through profit or loss	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)
	2024	2023	2024	2023	2024	2023	2024
Level 2 Liabilities							
<i>Financial liabilities at fair value through profit or loss</i>							
Forward foreign exchange contracts	-	-	-	-	540,839	132,379	156,072
Total Level 2 Liabilities	-	-	-	-	540,839	132,379	156,072
Total financial liabilities at fair value through profit or loss	-	-	-	-	540,839	132,379	156,072

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 2023: nil). There are no Level 3 financial instruments during the year (31 March 2023: nil).

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

The Devon Dividend Yield Fund, Devon Alpha Fund, Devon Global Sustainability Fund and Artesian Green and Sustainable Bond Fund (NZD) are subject to International Swaps and Derivatives Association (ISDA) arrangements with their derivative counterparty: Bank of New Zealand (31 March 2023: 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial assets	-	461,578	-	-	-	-	-	113,973	-	-
Net amounts of financial assets presented in the statement of financial position	-	461,578	-	-	-	-	-	113,973	-	-
<i>Related amounts not set-off in the statement of financial position</i>										
Financial instruments	-	-	-	-	-	-	-	-	-	-
Net amount	-	461,578	-	-	-	-	-	113,973	-	-
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>										
Gross amounts of recognised financial liabilities	407,951	-	-	-	-	-	114,811	-	-	-
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	407,951	-	-	-	-	-	114,811	-	-	-
<i>Related amounts not set-off in the statement of financial position</i>										
Financial instruments	-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Net amount	407,951	-	-	-	-	-	114,811	-	-	-

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 Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
As at 31 March	2024	2023	2024	2023	2024	2023	2024	
<i>Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial assets	-	-	-	-	5,629	92,612	-	
Net amounts of financial assets presented in the statement of financial position	-	-	-	-	5,629	92,612	-	
<i>Related amounts not set-off in the statement of financial position</i>								
Financial instruments	-	-	-	-	(5,629)	(92,612)	-	
Net amount	-	-	-	-	-	-	-	
<i>Financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements</i>								
Gross amounts of recognised financial liabilities	-	-	-	-	540,839	132,379	156,072	
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	-	-	-	-	540,839	132,379	156,072	
<i>Related amounts not set-off in the statement of financial position</i>								
Financial instruments	-	-	-	-	(5,629)	(92,612)	-	
Cash and cash equivalents	-	-	-	-	-	-	-	
Net amount	-	-	-	-	535,210	39,767	156,072	

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Mandatorily measured at fair value through profit or loss										
Forward foreign exchange contracts	-	461,578	-	-	-	-	-	113,973	-	-
Listed equities	126,545,189	110,428,094	12,110,705	11,397,584	-	-	17,912,342	18,982,906	72,395,978	60,755,102
Unlisted trusts	-	-	-	-	1,415,874	1,536,542	-	-	-	-
Preference shares	-	-	-	-	558,138	294,000	-	-	-	-
Fixed interest securities	-	-	-	-	3,330,315	3,115,122	-	-	-	-
Total mandatorily measured at fair value through profit or loss	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102
Total financial assets at fair value through profit or loss	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	-	-	-	-	5,629	92,612	-	-
Unlisted trusts	28,405,264	26,113,478	47,968,967	44,260,342	54,870,619	37,079,798	8,300,214	-
Total mandatorily measured at fair value through profit or loss	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214	-
Total financial assets at fair value through profit or loss	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214	-

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Mandatorily measured at fair value through profit or loss										
Forward foreign exchange contracts	407,951	-	-	-	-	-	114,811	-	-	-
Total mandatorily measured at fair value through profit or loss	407,951	-	-	-	-	-	114,811	-	-	-
Total financial liabilities at fair value through profit or loss	407,951	-	-	-	-	-	114,811	-	-	-

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Mandatorily measured at fair value through profit or loss								
Forward foreign exchange contracts	-	-	-	-	540,839	132,379	156,072	-
Total mandatorily measured at fair value through profit or loss	-	-	-	-	540,839	132,379	156,072	-
Total financial liabilities at fair value through profit or loss	-	-	-	-	540,839	132,379	156,072	-

Notes to the Financial Statements

8. Financial instruments by category

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets at fair value through profit or loss										
Financial assets mandatorily measured at fair value through profit or loss	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102
Total financial assets at fair value through profit or loss	126,545,189	110,889,672	12,110,705	11,397,584	5,304,327	4,945,664	17,912,342	19,096,879	72,395,978	60,755,102
Financial assets at amortised cost										
Cash and cash equivalents	19,582,968	9,602,972	705,734	462,259	476,008	1,050,203	857,464	310,377	644,274	1,669,108
Outstanding settlements receivable	-	2,314,142	85,497	-	-	-	-	-	893,709	260,677
Related party receivables	-	-	-	-	1,244	3,938	-	-	-	-
Contributions receivable	120,196	33,553	-	56	-	-	422	86,263	8,988	6,818
Other receivables	235,921	402,724	45,966	48,975	34,636	31,084	157,877	178,132	277,188	281,222
Total financial assets at amortised cost	19,939,085	12,353,391	837,197	511,290	511,888	1,085,225	1,015,763	574,772	1,824,159	2,217,825
Total financial assets	146,484,274	123,243,063	12,947,902	11,908,874	5,816,215	6,030,889	18,928,105	19,671,651	74,220,137	62,972,927

\$ As at 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Financial liabilities at fair value through profit or loss										
Financial liabilities mandatorily measured at fair value through profit or loss	407,951	-	-	-	-	-	114,811	-	-	-
Total financial liabilities at fair value through profit or loss	407,951	-	-	-	-	-	114,811	-	-	-
Financial liabilities at amortised cost										
Outstanding settlements payable	5,243,626	1,162,819	244,831	-	-	-	-	-	806,029	468,484
Related party payables	1,799,761	133,637	13,522	13,143	4,665	6,252	16,590	17,571	92,928	68,649
Withdrawals payable	554,520	59,430	-	-	-	-	-	9,248	49,934	39,343
Total financial liabilities at amortised cost	7,597,907	1,355,886	258,353	13,143	4,665	6,252	16,590	26,819	948,891	576,476
Total financial liabilities	8,005,858	1,355,886	258,353	13,143	4,665	6,252	131,401	26,819	948,891	576,476

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
Financial assets at fair value through profit or loss								
Financial assets mandatorily measured at fair value through profit or loss	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214	-
Total financial assets at fair value through profit or loss	28,405,264	26,113,478	47,968,967	44,260,342	54,876,248	37,172,410	8,300,214	-
Financial assets at amortised cost								
Cash and cash equivalents	230,405	63,224	851,262	1,635,462	564,719	2,558,212	167,897	-
Related party receivables	14,363	-	-	-	-	-	-	-
Contributions receivable	168	75	1,500,147	-	-	-	30,460	-
Other receivables	104	-	4,031	20,880	4,464	11,785	479	-
Total financial assets at amortised cost	245,040	63,299	2,355,440	1,656,342	569,183	2,570,007	198,836	-
Total financial assets	28,650,304	26,176,777	50,324,407	45,916,684	55,445,431	39,742,417	8,499,050	-

Notes to the Financial Statements

8. Financial instruments by category (continued)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Financial liabilities at fair value through profit or loss								
Financial liabilities mandatorily measured at fair value through profit or loss	-	-	-	-	540,839	132,379	156,072	
Total financial liabilities at fair value through profit or loss	-	-	-	-	540,839	132,379	156,072	
Financial liabilities at amortised cost								
Outstanding settlements payable	-	-	-	1,000,000	-	2,200,000	-	
Related party payables	116,827	28,672	25,777	23,093	56,144	36,450	4,281	
Withdrawals payable	1,031	-	296	5,238	-	-	3,817	
Total financial liabilities at amortised cost	117,858	28,672	26,073	1,028,331	56,144	2,236,450	8,098	
Total financial liabilities	117,858	28,672	26,073	1,028,331	596,983	2,368,829	164,170	

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	Devon Trans-Tasman 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	1.00% 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	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)	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)	(This is inclusive of Supervisor, custody, fund accounting, unit pricing, registry, legal and audit fees)

	Devon Sustainability Fund	Devon Global Impact Bond Fund	Devon Global Sustainability Fund	Artesian Green and Sustainable Bond Fund (NZD)
Management fee	1.00% per annum plus GST	0.34% per annum plus GST	0.95% per annum plus GST	0.34% 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
	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)	(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 thereafter, 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.
- Artesian Green and Sustainable Bond Fund (NZD)	The Manager does not intend to charge a performance fee for the Artesian Green and Sustainable Bond Fund (NZD).

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March										
PricewaterhouseCoopers	14,178	13,566	14,178	13,566	14,178	13,566	14,178	13,566	14,178	13,566

\$	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
For the year ended 31 March								
PricewaterhouseCoopers	14,178	13,566	14,178	13,566	14,178	13,566	14,178	

The Funds incurred the following fees to related parties:

\$	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
For the year ended 31 March										
<u>Devon Funds Management Limited</u>										
Management fees	1,308,251	1,176,198	119,063	146,526	40,471	41,333	135,494	154,057	641,137	642,269
Fee rebates	-	-	-	-	(15,927)	(16,772)	-	-	-	-
Performance fees	1,648,589	6,268	5,239	2,012	-	-	-	34,773	94,098	79,705
Expense allowance	370,564	333,159	33,725	41,504	17,161	17,429	65,792	74,806	181,603	181,923
	3,327,404	1,515,625	158,027	190,042	41,705	41,990	201,286	263,636	916,838	903,897

\$	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
For the year ended 31 March								
<u>Devon Funds Management Limited</u>								
Management fees	269,685	206,569	161,400	80,268	434,688	230,960	10,275	
Fee rebates	(200,541)	-	-	-	-	-	-	
Expense allowance	76,389	58,511	134,461	66,871	129,606	68,863	8,560	
	145,533	265,080	295,861	124,367	564,294	276,157	18,835	

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<u>Devon Funds Management Limited</u>										
Management fees payable	117,804	104,035	10,537	10,242	3,249	3,408	11,167	11,828	62,752	53,496
Management fees rebates	-	-	-	-	(1,244)	(3,938)	-	-	-	-
Performance fees payable	1,648,589	-	-	-	-	-	-	-	12,402	-
Expense allowance payable	33,368	29,602	2,985	2,901	1,416	2,844	5,423	5,743	17,774	15,153
	<u>1,799,761</u>	<u>133,637</u>	<u>13,522</u>	<u>13,143</u>	<u>3,421</u>	<u>2,314</u>	<u>16,590</u>	<u>17,571</u>	<u>92,928</u>	<u>68,649</u>

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
<u>Devon Funds Management Limited</u>								
Management fees payable	109,981	22,343	14,062	12,598	43,249	28,078	2,337	-
Management fees rebates	(14,363)	-	-	-	-	-	-	-
Expense allowance payable	6,846	6,329	11,715	10,495	12,895	8,372	1,944	-
	<u>102,464</u>	<u>28,672</u>	<u>25,777</u>	<u>23,093</u>	<u>56,144</u>	<u>36,450</u>	<u>4,281</u>	<u>-</u>

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Holdings of the Directors of the Manager and their related parties	4,303,780	3,950,771	94,317	80,766	129,950	123,771	-	82,833	100,228	90,450

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	2023
Holdings of the Directors of the Manager and their related parties	1,315	1,194	971,596	938,938	97,998	-	52,208	-

The Manager does not have holdings in the Funds as at year end (31 March 2023: 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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Devon Dividend Yield Fund	-	-	-	-	1,415,874	1,536,542	-	-	-	-
The total income and gains earned or losses suffered on investments with related parties were:										
Devon Dividend Yield Fund	-	-	-	-	94,225	(6,638)	-	-	-	-

Notes to the Financial Statements

9. Related parties (continued)

9.4 Related party investments (continued)

\$ As at 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Devon Sustainability Wholesale Fund	28,405,264	26,113,478	-	-	-	-	-	
The total income and gains earned on investments with related parties were:								
Devon Sustainability Wholesale Fund	2,671,787	480,624	-	-	-	-	-	

9.5 Other related party transactions

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

10. Interest income/(expense)

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Interest income - financial assets at amortised cost	535,235	275,599	13,994	9,240	37,020	29,220	18,886	9,709	64,141	26,753
Interest income - financial assets at fair value through profit or loss	-	-	-	-	136,725	122,628	-	-	-	-
Total net interest income	535,235	275,599	13,994	9,240	173,745	151,848	18,886	9,709	64,141	26,753

\$ For the year ended 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Interest income/(expense) - financial assets at amortised cost	10,958	1,628	(13,879)	17,298	(2,489)	8,909	926	
Interest income - financial assets at fair value through profit or loss	-	-	-	-	-	-	-	
Total net interest income/(expense)	10,958	1,628	(13,879)	17,298	(2,489)	8,909	926	

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

\$ For the year ended 31 March	Devon Alpha Fund		Devon Australian Fund		Devon Diversified Income Fund		Devon Dividend Yield Fund		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating profit/(loss)	15,703,695	5,117,994	1,832,584	6,033	292,214	28,565	1,194,081	(116,351)	7,052,256	799,071
Adjustments for non-cash items										
Net unrealised changes in the fair value of financial assets & liabilities	(17,829,500)	(4,914,502)	(1,593,096)	311,368	(56,533)	165,269	(450,967)	942,378	(6,216,972)	290,711
Net foreign currency gains or losses on cash and cash equivalents	113,991	112,175	(3,801)	28,127	-	-	(2,971)	(18,781)	(1,463)	24,369
Distributions received as units rather than cash	(59,279)	(162,520)	(890)	(23,238)	(79,350)	(82,097)	(144,490)	(113,483)	(157,518)	(161,391)
	(17,774,788)	(4,964,847)	(1,597,787)	316,257	(135,883)	83,172	(598,428)	810,114	(6,375,953)	153,689
Movements in working capital items										
Decrease/(increase) in trade and other receivables	166,803	80,721	3,009	48,494	(858)	(12,517)	20,255	81,618	4,034	68,324
Increase/(decrease) in trade and other payables	1,672,511	(401,270)	379	(14,832)	(1,587)	1,175	(981)	(20,585)	25,714	(5,319)
Decrease/(increase) in net cost of investments	9,025,677	4,262,835	1,039,603	5,527,156	(222,780)	277,437	1,894,805	4,469,093	(5,564,153)	6,203,806
	10,864,991	3,942,286	1,042,991	5,560,818	(225,225)	266,095	1,914,079	4,530,126	(5,534,405)	6,266,811
	(6,909,797)	(1,022,561)	(554,796)	5,877,075	(361,108)	349,267	1,315,651	5,340,240	(11,910,358)	6,420,500
Net cash inflow/(outflow) from operating activities	8,793,898	4,095,433	1,277,788	5,883,108	(68,894)	377,832	2,509,732	5,223,889	(4,858,102)	7,219,571

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 Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Operating profit	2,537,191	217,159	2,145,017	(39,000)	9,716,743	2,170,660	212,516	
Adjustments for non-cash items								
Net unrealised changes in the fair value of financial assets & liabilities	(2,671,787)	(480,624)	(2,408,625)	(68,342)	(10,239,028)	(2,438,122)	(159,655)	
Net foreign currency gains or losses on cash and cash equivalents	-	-	-	-	-	-	(2,486)	
Distributions received as units rather than cash	-	-	-	-	-	-	(59,855)	
	(2,671,787)	(480,624)	(2,408,625)	(68,342)	(10,239,028)	(2,438,122)	(221,996)	
Movements in working capital items								
(Increase)/decrease in trade and other receivables	(14,467)	-	16,849	(20,880)	7,331	(11,795)	(479)	
Increase in trade and other payables	88,155	13,151	2,684	23,093	19,694	36,450	4,281	
(Increase)/decrease in net cost of investments	380,001	(11,467,022)	(2,300,000)	(43,192,000)	(9,256,350)	(32,401,909)	(7,921,553)	
	453,689	(11,453,871)	(2,280,467)	(43,189,787)	(9,229,325)	(32,377,254)	(7,917,751)	
	(2,218,098)	(11,934,495)	(4,689,092)	(43,258,129)	(19,468,353)	(34,815,376)	(8,139,747)	
Net cash inflow/(outflow) from operating activities	319,093	(11,717,336)	(2,544,075)	(43,297,129)	(9,751,610)	(32,644,716)	(7,927,231)	

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		Devon Trans-Tasman Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Distributions	3,551,096	3,448,641	459,733	588,354	236,587	247,554	986,739	1,146,387	2,364,574	2,602,337

\$ For the year ended 31 March	Devon Sustainability Fund		Devon Global Impact Bond Fund		Devon Global Sustainability Fund		Artesian Green and Sustainable Bond Fund (NZD)	
	2024	2023	2024	2023	2024	2023	2024	
Distributions	1,042,929	751,052	2,616,229	844,619	-	-	9,182	

14. Commitments and contingent liabilities

There are no material commitments or contingencies as at 31 March 2024 (31 March 2023: nil).

Notes to the Financial Statements

15. Non-cash transactions

Intrafund transfers during the reporting period within the Funds are as follows. Intrafund transfers are transfers of units within the same fund for registry purposes and do not represent units issued and redeemed by and from the Fund.

\$ For the year ended 31 March	Devon Alpha Fund 2024	Devon Alpha Fund 2023	Devon Australian Fund 2024	Devon Australian Fund 2023	Devon Diversified Income Fund 2024	Devon Diversified Income Fund 2023	Devon Dividend Yield Fund 2024	Devon Dividend Yield Fund 2023	Devon Trans-Tasman Fund 2024	Devon Trans-Tasman Fund 2023
Intrafund transfers	9,640,765	6,278,903	298,854	-	110,499	1,027,716	478,910	623,677	1,597,006	221,558

\$ For the year ended 31 March	Devon Sustainability Fund 2024	Devon Sustainability Fund 2023	Devon Global Impact Bond Fund 2024	Devon Global Impact Bond Fund 2023	Devon Global Sustainability Fund 2024	Devon Global Sustainability Fund 2023	Artesian Green and Sustainable Bond Fund (NZD) 2024
Intrafund transfers	23,250,990	17,544	23,455,233	2,054,574	25,123,788	124,515	73,789

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 2024	Devon Alpha Fund 2023	Devon Australian Fund 2024	Devon Australian Fund 2023	Devon Diversified Income Fund 2024	Devon Diversified Income Fund 2023	Devon Dividend Yield Fund 2024	Devon Dividend Yield Fund 2023	Devon Trans-Tasman Fund 2024	Devon Trans-Tasman Fund 2023
Distributions reinvested	1,495,752	1,386,903	111,407	154,260	149,758	150,066	400,482	437,201	842,885	935,628

\$ For the year ended 31 March	Devon Sustainability Fund 2024	Devon Sustainability Fund 2023	Devon Global Impact Bond Fund 2024	Devon Global Impact Bond Fund 2023	Devon Global Sustainability Fund 2024	Devon Global Sustainability Fund 2023	Artesian Green and Sustainable Bond Fund (NZD) 2024
Distributions reinvested	127,339	141,753	344,311	125,350	-	-	6,577

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 2024 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
- Artesian Green and Sustainable Bond 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 2024, their financial performance and their cash flows for the period/year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Funds' financial statements comprise:

- the statements of financial position as at 31 March 2024;
- the statements of comprehensive income for the period/year then ended;
- the statements of changes in net assets attributable to unitholders for the period/year then ended;
- the statements of cash flows for the period/year then ended; and
- the notes to the financial statements, comprising material accounting policy information 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 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 consulting services on Foreign Investment Fund tax rules, 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. The provision of these services and these relationships has not impaired our independence as auditor of 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 period/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 notes 6 and 7 to the financial statements for the reported values of financial assets and financial liabilities at fair value through profit or loss.</p> <p>This was an area of focus for our audit as it represents the majority of the net assets attributable to unitholders of the Funds.</p> <p>Valuation</p> <p>The fair value of the financial assets traded in active markets is based on quoted market prices as at the reporting date and are categorised as level 1 in the fair value hierarchy.</p> <p>The fair value of the financial assets and liabilities that are not traded in an active market are determined using valuation techniques. The valuation technique depends on the underlying asset or liability and includes assumptions that are based on market conditions existing at the reporting date.</p> <p>Such financial assets and 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>For financial assets and liabilities quoted in foreign currencies, these are translated to New Zealand dollars using the exchange rates at the reporting date.</p> <p>Existence</p> <p>Financial assets and financial liabilities at fair value through profit or loss are held by the Custodian on behalf of the Funds or, the position is recorded by the financial institution.</p>	<p>We assessed the processes employed by the Manager for recording and valuing the financial assets and liabilities at fair value through profit or loss including the relevant controls operated by a third party service organisation, the Administrator. Our assessment of the processes included obtaining the internal controls report over investment accounting and registry services provided by the Administrator.</p> <p>We evaluated the evidence provided by the internal controls reports over the design and operating effectiveness of the relevant controls operated by the Administrator.</p> <p>For all financial assets where quoted market prices in an active market were available, we agreed the market price at the reporting date to independent third party pricing sources.</p> <p>For financial assets and liabilities which are not traded in an active market and with inputs that are observable either directly or indirectly, we:</p> <ul style="list-style-type: none"> agreed the observable inputs to third party pricing sources and used our PwC valuation experts to evaluate the fair value, using independent valuation models, or agreed the redemption price at the reporting date, to the confirmation provided by the unlisted fund's administrator. Where relevant we evaluated that the redemption price represents fair value by comparing the redemption price at the reporting date to recent transactions to support the fair value of unlisted funds. <p>We have assessed the reasonableness of the exchange rates used to translate financial assets and liabilities quoted in foreign currencies.</p> <p>We obtained the confirmation from the Custodian, and financial institutions where appropriate, of the holdings or positions of all financial assets and financial liabilities at fair value through profit or loss as recognised by the Funds as at the reporting date.</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 net assets attributable to unitholders for each Fund.</p> <p>We chose net assets attributable to unitholders as the benchmark because, in our view, the objective of the Fund is to provide unitholders with a total return on the Fund's 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.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon which the annual report will refer to. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we 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.

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 Accounting Standards, 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:

Chartered Accountants
23 July 2024

Auckland