



Devon Investment Funds  
Other Material Information

**Issuer: Devon Funds Management Limited**

Devon Alpha Fund  
Devon Australian Fund  
Devon Diversified Income Fund  
Devon Dividend Yield Fund  
Devon Trans-Tasman Fund  
Global Themes Fund

**3 April 2018**

# Contents

1. Introduction	1
2. More information about the Funds and how they work	1
3. More information about those involved	2
The Manager	2
The Supervisor	2
The Custodian	2
4. Material contracts	3
Administration services agreement	3
5. Taxation	3
Portfolio Investment Entities	3
Other taxation information	4
Taxation of share investments	4
6. Fees	5
Management fee	6
Performance fee	6
Supervisor, Custodian and administration fee	6
Other Fund expenses	7
7. Other risks	8
8. Conflicts of interest	9
9. Information on market indices	10
10. Financial statements and auditor's report	10
11. No guarantee	10

# 1. Introduction

This Other Material Information document (**Document**) is an important document which relates to other material information, for the offer of units in the Devon Investment Funds, that is not contained in the Product Disclosure Statement (**PDS**) or other documents that are available on the Register at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

This Document has been prepared to meet the requirements of section 57(1)(b)(ii) of the Financial Markets Conduct Act 2013 (**FMC Act**) and clause 52 of Schedule 4 of the Financial Markets Conduct Regulations 2014. All legislation referred to in this Document can be viewed at [www.legislation.govt.nz](http://www.legislation.govt.nz).

Devon Funds Management Limited is the Manager of the Devon Investment Funds and is referred to as “**Devon**”, “**we**”, “**us**” or “**our**” in this Document. Capitalised words that appear in this Document have the same meaning as given to them in the Devon offer documents, unless they are otherwise defined. Any reference to “**you**” or “**your**” refers to a person or entity who invests in a Fund.

## 2. More information about the Funds and how they work

The Devon Investment Funds are governed by the Trust Deed dated 30 September 2016 and are invested in accordance with the Statement of Investment Policy and Objectives (**SIPO**) dated 3 April 2018. The Funds are established within a managed investment scheme under the FMC Act, Scheme number SCH10753 (**Scheme**).

At the date of this Document, the Scheme comprises of six investment Funds, as described in the Devon PDS.

Fund	DEVON ALPHA FUND	DEVON AUSTRALIAN FUND	DEVON DIVERSIFIED INCOME FUND	DEVON DIVIDEND YIELD FUND	DEVON TRANS-TASMAN FUND	GLOBAL THEMES FUND
Date of Establishment	May 2010	August 2010	November 2015	November 2012	September 1998	September 2014
Date of Commencement	June 2010	August 2010	January 2016	December 2012	September 1998	October 2014

You can review a copy of the Trust Deed, Conditions of Establishment, SIPO and PDS by contacting us or electronically at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

# 3. More information about those involved

## The Manager

Devon is the Manager of the Funds. We are responsible for:

- offering the units in each Fund;
- issuing the units in each Fund;
- managing the Scheme property and investments of each Fund; and
- administering each Fund.

We may authorise another person or persons to act as our delegate to perform any act, or exercise any discretion, within our power, including appointing investment managers, administration managers, investment advisers and experts.

In exercising or performing any of our duties as Manager, we must:

- act honestly in our capacity as Manager of the Funds;
- act in the best interests of Scheme participants;
- treat Scheme participants equitably;
- not make use of information acquired through being Manager to gain an improper advantage for ourselves or any other person or cause detriment to the Scheme participants;
- carry out the function of Manager in accordance with the governing document of the Scheme, the SIPO and all other 'issuer obligations'; and
- exercise the care, diligence and skill that a prudent person engaged in that profession would exercise in the same circumstances.

We are a registered financial services provider, FSP1581. The Financial Markets Authority (**FMA**) has granted us a licence under the FMC Act, effective 30 November 2015, as a Manager of a registered scheme (other than a restricted scheme), for a period of 5 years. The licence is subject to standard licence conditions that apply to all other managers of managed investment schemes. Further information about this licence can be found on the FMA's website, [www.fma.govt.nz](http://www.fma.govt.nz).

Additional information on Devon, our current directors and our staff can be found on our website, [www.devonfunds.co.nz](http://www.devonfunds.co.nz).

## The Supervisor

The Supervisor of the Funds is The New Zealand Guardian Trust Company Limited (**Supervisor**).

The Supervisor has been granted a full licence under the Financial Market Supervisors Act 2011 to act as a supervisor of a managed investment scheme. The licence expires on 16 March 2023 and is subject to reporting conditions.

The current names of the Supervisor's directors and its address may be obtained from the Companies Office website [www.business.govt/companies](http://www.business.govt/companies) or by phoning the Supervisor on 0800 683 909. The Directors may change from time to time without notice to you.

The Supervisor is responsible for the following functions:

- supervising the Manager's performance of its functions and its issuer obligations;
- supervising the financial position of the Manager and the Funds to ascertain their adequacy;
- acting on behalf of investors in relation to the Scheme and the Manager;
- reporting to FMA any contravention, or likely contravention, of a manager or issuer obligation;
- holding the Funds' property, or ensuring that it is held, in accordance with the FMC Act; and
- performing or exercising any other functions, powers, and duties conferred or imposed on the Supervisor by or under the FMC Act.

A Management Agreement between Devon and the Supervisor dated 1 April 2018 (as amended from time to time) sets out the arrangements between Devon and the Supervisor in relation to certain operational matters relating to the Scheme and the Funds. The Management Agreement specifies the reporting and information to be provided by Devon to the Supervisor and the requirements for record keeping.

Nothing in the Management Agreement limits or alters the powers of the Supervisor or Devon's duties under the trust deed and applicable law.

## The Custodian

The Supervisor has delegated the function of holding the scheme property of each Fund to BNP Fund Services Australasia Pty Limited. The Supervisor and the Custodian are independent of us and of each other.

# 4. Material contracts

In addition to Devon's PDS, SIPO, Trust Deed and Deeds of Establishment (as disclosed on the Disclose website at [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)), the following contract details are material.

## Administration services agreement.

We have entered into a service agreement with MMC Limited (**MMC**), dated September 2016, who provide a range of administrative services in respect of the Funds including registry, unit pricing and fund accounting. Under the services agreement MMC is indemnified against any cost, loss, expenses and liability that they suffer or incur as a result of entering into or incurring any obligation or liability in the proper performance of its powers or obligations except to the extent that such cost, loss expense or liability was caused or contributed to (whether directly or indirectly) by the fraud, negligence or default of MMC or of its directors, officers, employees or agents. The services agreement also contains certain provisions limiting MMC's liability and requiring MMC to maintain insurance covers.

# 5. Taxation

This section briefly summarises the taxation regime current at the date of this Document. It is intended as a general guide only. All unit holders have different taxation positions and you should seek your own tax advice prior to investing. The comments are not exhaustive and are based on legislation as at the date of this Document. Tax law is complex, changes frequently, and its application is fact specific.

## Portfolio Investment Entities

The Funds operate under the portfolio investment entity (**PIE**) regime.

Under the PIE regime, taxable income, losses and tax credits related to the Funds, will be attributed to you in accordance with the proportion of your interest in a Fund. The income attributed to you will be taxed at your prescribed investor rate (**PIR**), which is capped at 28%. We will pay tax on your behalf and undertake any necessary adjustments to your interests in a Fund in order to comply with the PIE tax requirements.

At the date of this Document, if you are a natural person investor and a New Zealand tax resident, you will have a PIR of 10.5%, 17.5% or 28%. To qualify for a 10.5% or 17.5% PIR, you must supply a valid IRD number and meet the following criteria in relation to either of the previous two tax years\*:

If your taxable income is	And your taxable income plus PIE income is	Then your PIR rate is
\$0 - \$14,000	\$0 - \$48,000	10.5%
\$0 - \$14,000	\$48,001 - \$70,000	17.5%
\$14,001 - \$48,000	\$0 - \$70,000	17.5%

\* tax years generally commence on 1 April in any year and end on 31 March in the following year.

If you are a natural person investor and do not qualify for the above 10.5% or 17.5% PIR, you will have a PIR of 28%. The PIR of a company, a managed investment scheme and charity investors will be 0% unless that investor does not provide a valid IRD number or notify its PIR to us in which case a PIR of 28% will apply.

New Zealand resident trustees (other than trustees of managed investment schemes and charitable trusts) will have a PIR of 0% unless the trustees elect a 17.5% or 28% PIR. A testamentary trust (i.e. a trust created through a will) may also elect a 10.5% PIR. If a trust fails to provide a valid IRD number or notify its PIR to us it will default to a 28% PIR. If a 0%, 10.5%, or 17.5% PIR applies, the trust must account for PIE income within its own tax return (at the appropriate rate of tax depending upon whether taxable income is treated by the trust as trustee or beneficiary income) and claim a credit for any tax already paid by a Fund.

# Taxation cont.

If the trust elects a 28% PIR this will be a final tax and the trust will not include the income in its tax return. We recommend trustees seek independent tax advice before electing a PIR rate.

If you are a New Zealand non-resident, you will have a PIR of 28%. You will not be able to elect for a lower PIR to be applied. If you are a non-resident investor you are advised to seek your own professional tax advice.

If you are a joint investor you will be taxed at the highest of the joint PIRs.

## Other taxation information

Generally, provided you advise us of the correct PIR each year, tax paid by a Fund on income attributed to you will be a final tax. If your PIE income is taxed at a higher PIR and you are eligible for a lower PIR but have not advised us of this, you will generally not be able to receive a refund of the overpayment. Additionally, if you have advised us that you are eligible for a lower PIR, and this is incorrect (i.e. you are only eligible for a higher rate), you may be liable to the IRD for further tax and penalties and have to file a tax return.

You should advise us of your PIR when you make an application to become a unit holder in a Fund. You should also advise us of any changes to your PIR. If you do not advise a PIR or do not provide a valid IRD number, we will apply the higher tax rate. You will be asked to reconfirm your PIR at least once a year.

The IRD can instruct us or the Supervisor to apply a different PIR to the one notified by you.

If there is a tax loss or there are excess tax credits allocated to a Fund for a period, these will generally be available to unit holders with a PIR greater than 0% in the form of a tax credit. Unit holders with a 0% PIR can claim their share of the loss or excess credits in their own tax return.

We intend to reflect PIE tax or credits by redeeming or issuing units to you or other unit holders.

Where we reasonably determine that the continued holding of units by you may contribute to a Fund ceasing to be eligible to be a PIE, we may require or deem you to give or have given a redemption notice in respect of such holding.

Upon your full or partial withdrawal (including by switching) from a Fund, any tax liability on income allocated to you will be satisfied by cancellation of units at the time of the withdrawal or switch.

Tax deducted from you will be held in an interest bearing bank account outside the Funds until payment is made to IRD, and will not be included in the calculation of any Fund values. Any interest earned on this money, less any costs incurred in operating the account, will be returned to the Funds on such equitable basis as we agree with the Supervisor from time to time.

## Taxation of share investments

Provided that the Funds are PIEs, any capital gains made by the Funds in respect of shares in New Zealand resident companies, certain Australian resident listed companies and certain Australian unit trusts will be excluded from the calculation of taxable income. Dividends received in relation to these shares will be taxable as will income earned from other investments such as interest bearing deposits. To the extent that franking credits are attached to dividends received from Australian companies, these credits are not allowed to offset New Zealand tax payable on the dividends. A franking credit is a nominal unit of tax paid by an Australian company using dividend imputation. Franking credits are passed on to shareholders along with dividends.

Other overseas shares held by the Funds will be taxed pursuant to the fair dividend rate (FDR) calculation method. Under the FDR calculation method, the Funds will be deemed to have derived income equal to 5% per annum of the opening market value of its overseas shares determined on a daily basis. Any dividends or other distributions flowing from overseas shares will not be separately taxed in New Zealand under the FDR calculation method. Any losses in respect of holdings in overseas shares are not deductible to the Funds for tax purposes under FDR. The Funds' currency hedges are also treated as FDR compliant. As a result any gains or losses attributed to the Funds because of foreign currency hedges are not deductible to the Funds.

Other income of the Funds will be subject to the relevant normal tax rules. Tax may be imposed in overseas jurisdictions in relation to overseas investments (although this may give rise to a tax credit in New Zealand).

Distributions and redemption dividends payable to you as a unit holder will not be separately taxable.

# 6. Fees

The fees and expenses summarised below are charged directly to the Fund and do not require any further payment from you. Devon has estimated the fees applied to the Funds which can be found in the Devon Investment Funds PDS. Actual charges over the previous 12 months are available in the latest Fund Update. The tables below provide an overview of how fees are charged to the Funds.

	DEVON ALPHA FUND	DEVON AUSTRALIAN FUND	DEVON TRANS-TASMAN FUND	DEVON DIVIDEND YIELD FUND
<b>Management fee</b>	1% per annum plus GST, if applicable.			0.7% per annum plus GST
<b>Administration Charges</b> (Supervisor, Custodian and administration fees)	Up to 0.32% per annum plus GST.			Capped at 0.30% per annum plus GST (this is inclusive of Supervisor, Custodian, fund accounting, unit pricing, registry, legal and audit fees).
<b>Performance fee</b>	The first 1% of gross return over the performance fee hurdle rate of return of 12% up to 13% per annum, then 15% of the gross return thereafter, subject to a high water mark, plus GST.	10% of the net return of the Fund (reflected in the unit price) over the performance fee hurdle rate of return of 10% for the relevant period, subject to a high water mark, plus GST.	10% of the net return of the Fund (reflected in the unit price) over the performance fee hurdle rate of return of 9.85% for the relevant period, subject to a high water mark, plus GST.	10% of the net return of the Fund (reflected in the unit price) over the hurdle rate of return which is the 50:50 S&P/NZX50 (Gross): S&P/ASX200 (Accumulation) Index return (the Fund's benchmark) for the relevant period, subject to a high water mark, plus GST.
<b>Other fund expenses</b>	Legal, audit, advisory, brokerage, all taxes and other costs that may be incurred by the Fund.			Abnormal or one-off costs, performance fees, brokerage, all taxes that may be incurred by the Fund.
	DEVON DIVERSIFIED INCOME FUND	GLOBAL THEMES FUND		
<b>Total fees</b>	Total fees chargeable to the Fund are capped at 0.90% per annum plus GST. This fee is made up of Management, Supervisor, Custodian and administration fees but excludes other Fund expenses (see below).		Total fees chargeable to the Fund are capped at 1.20% per annum plus GST. This fee is made up of Management, Supervisor, Custodian and administration fees but excludes other Fund expenses (see below).	
<b>Management fee</b>	0.65% per annum plus GST		0.90% per annum plus GST.	
<b>Administration Charges</b> (Supervisor, Custodian and administration fees)	Capped at 0.25% per annum plus GST. This is inclusive of Supervisor, Custodian, Fund accounting, unit pricing, registry, legal and audit fees and excludes abnormal or one-off costs, brokerage, all taxes and any performance fees.		Capped at 0.30% per annum plus GST. This is inclusive of Supervisor, Custodian, Fund accounting, unit pricing, registry, legal and audit fees and excludes abnormal or one-off costs, brokerage, all taxes and any performance fees.	
<b>Performance fee</b>	At the date of this Document, Devon does not charge performance fees in respect of these Funds.			
<b>Other Fund expenses</b>	Abnormal or one-off costs, brokerage and all taxes that may be incurred by the Funds.			

# Fees cont.

**Devon does not, and at the date of this Document does not have any intention to, charge entry or exit fees, fees for switching or paying trail commissions to advisers.**

## Management fee

The management fee payable is calculated daily on the gross asset value of the Funds and paid monthly for all the Funds. The management fee can be varied with the approval of the Supervisor and upon giving you three months' notice.

## Performance fee

Should we meet our performance target for any of the Funds (to which a performance fee applies), we may be entitled to a performance fee as detailed above for that Fund. We use a high water mark for the calculation of performance fees for each of the Funds. The use of a high water mark means that a performance fee will not be paid unless the unit price of the Fund exceeds the unit price when the performance fee was last paid from that Fund.

Each high water mark is adjusted to take into account any distributions made. Each high water mark can be reset every three years at our discretion following consultation with the Supervisor.

In respect of the Australian Fund, the Trans-Tasman Fund and the Dividend Yield Fund, the performance fee is payable when:

- the rolling 12-month net return (after all fees and expenses, other than the performance fee) exceeds the relevant Benchmark; and
- the net asset value per unit (before the performance fee) exceeds the net asset value per unit used in the calculation of the last performance fee paid (high water mark).

In respect of the Alpha Fund, the performance fee is payable, if achieved, on an annual basis that coincides with the Fund's financial year based on the gross asset value.

Devon has estimated the performance based fees applied to the Funds in the Devon Investment Funds PDS which can be found on [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose). The performance fee estimates are calculated based on a combination of market performance from 30 June 1992 up until the commencement date of each Fund and the Fund returns from the commencement date of each Fund to 31 December 2017.

The commencement date and the establishment date of the Devon Funds can be found on page 1.

We have not made any estimate for outperformance of the market by the Funds prior to each Fund's commencement date. Given this, and the use of long term averages, it is to be expected that actual performance fees may be more (or less) than shown in the table in any given year. Please see the details of how the performance fees are calculated on page 5. Actual performance-based fees for the most recent scheme year will be available in the latest quarterly Fund Update.

As the Fund is taxed under the PIE regime, no adjustment is made for tax in calculating returns.

## Supervisor, Custodian and administration fee

### **Alpha Fund, the Australian Fund and the Trans-Tasman Fund**

The general administration costs and expenses of each Fund are up to a maximum of 0.32% per annum plus GST of the gross asset value of each Fund. These include the Supervisor, Custodian, Administration Manager and Registry fees, fund accounting, unit pricing, audit, normal legal fees, regulatory and compliance costs, and any other costs associated with the provision of administration services to the Funds. These fees are payable monthly and are accrued for in the daily unit price.

### **Dividend Yield Fund and Global Themes Fund**

The general administration costs and expenses of each Fund are capped at 0.30% per annum plus GST of the gross asset value of each Fund. These include the Supervisor, Custodian, Administration Manager and Registry fees, fund accounting, unit pricing, audit, normal legal fees, regulatory and compliance costs, and any other costs associated with the provision of administration services to the Funds. These fees are payable monthly and are accrued for in the daily unit price.

### **Diversified Income Fund**

The general administration costs and expenses of each Fund are capped at 0.25% per annum plus GST of the gross asset value of the Fund. These include the Supervisor, Custodian, Administration Manager and Registry fees, fund accounting, unit pricing, audit, normal legal fees, regulatory and compliance costs, and any other costs associated with the provision of administration services to the Funds. These fees are payable monthly and are accrued for in the daily unit price.



# Fees cont.

## Other Fund expenses

### **Alpha Fund, the Australian Fund and the Trans-Tasman Fund**

Under the terms of the Trust Deed, the following other costs and expenses may also be paid from the Alpha Fund, the Australian Fund and the Trans-Tasman Fund and reimbursed to the Supervisor or us if we or the Supervisor incur them:

- legal fees;
- auditor fees;
- advisory fees;
- brokerage fees;
- all taxes and duties payable in connection with these Funds;
- the cost of convening and holding any Unit Holders' meetings;
- interest and all other expenses relating to borrowing by these Funds; and
- other expenses properly and reasonably incurred by the Supervisor or us in connection with carrying out our respective duties under the Funds.

These fees may be deducted from the Funds and will be included each year in each Fund's financial statements.

### **Dividend Yield Fund, Diversified Income Fund, Global Themes Fund.**

As the Supervisor, Custodian and administration fees and other Fund expenses are capped, the only other charges reimbursable from the Funds (where applicable) are:

- advisory fees;
- brokerage fees;
- performance fees;
- all taxes and duties payable in connection with the Fund;
- the cost of convening and holding any Unit Holders' meetings;
- interest and all other expenses relating to borrowing by the Fund; and
- other expenses properly and reasonably incurred by the Supervisor or us in connection with carrying out our respective duties under the Fund.

The fees are deducted from the Funds and will be included each year in the Funds' financial statements.

# 7. Other risks

You should appreciate that there are always inherent risks in investing and there can be no guarantee that the objectives of a Fund will be achieved.

The Devon PDS sets out the general investment risks that we consider applicable to the Funds and contains a risk indicator.

There are other risks that are not captured by the risk indicator or the general investment risks in our PDS. We have set out below what we consider to be further risks associated with investing. We consider these risks to be broad and have therefore excluded them from our PDS. Before investing, you should carefully consider these risks which may adversely affect investment returns, and your ability to recover money invested in the Funds. We recommend you seek independent financial advice before investing in the Funds.

- Inflation risk – is the risk that your investment in the Fund may not keep pace with Inflation. Broadly, this means prices may increase by more than the value of your investment in the Fund. If this risk eventuates, you would not be able to buy as much with the value of your investment in the Fund as you could now.
- Default risk – is the risk that an issuer of a security in which the Fund has invested will not pay the interest and/or repay the principal of a security in which the Fund has invested. This risk is generally greater for issuers with lower credit ratings but may reduce your return on units in the Fund.
- Volatility risk – generally the higher the potential return for the Fund from an investment, the higher the risk, and the greater the chance of substantial fluctuation in returns (including the possibility of losses) that may occur over time (especially over shorter periods of time).
- Liquidity risk – refers to the potential illiquidity of the Fund's investments, where the Fund might not be able to realise the value of those investments at the time we or a unit holder chooses.
- Fund risk – this is the risk that a fund in which a Fund has invested could terminate, the fees and expenses for the fund could change, or key investment professionals involved in selecting investments for the fund could change. There is also the risk that investing in a fund may give different results than investing directly.
- Insolvency risk – an asset in which the Fund has invested may become insolvent and therefore have an adverse effect on performance of the Fund and the value of your units.
- Changes to law and other statutory restrictions – changes to laws (New Zealand and offshore) or their interpretation, including taxation rates, taxation laws and corporate regulatory laws could have a negative impact on the returns you receive from the Fund.
- Leverage risk – is the risk that arises with the use of derivatives to obtain or reduce market exposures. Derivatives, such as futures and options, are financial instruments whose value is derived from actual underlying assets. Futures and options can be used to offset the risk of price variations in securities or as an alternative to buying the underlying security. Futures and options can also be used in the management of currency and to seek to take advantage of any opportunities for profit which may exist in the market from time to time. Gains and losses are greater on leveraged positions than unleveraged positions.
- PIE status – if PIE status is lost a Fund would be taxed as a company rather than under the PIE regime (and the tax treatment of unit holders in the Fund would differ accordingly). This would mean that your returns from the Fund may decrease as it would be taxed at a higher rate.

# 8. Conflicts of interest

Conflicts of interest arise when the interest of our employees' conflict with some or all of the interests of our clients. Good practice is to properly manage conflicts of interest as they arise. To this end, it is our policy that all staff can only invest in the New Zealand and Australian share markets via the Funds. Employees who own listed Australasian equities at the commencement of their employment are not required to divest those securities, but must declare each security held on their semi-annual trading declaration. Non-executive Board members may invest in Australasian equities provided no conflict exists and they do not hold material information in relation to those equities. Staff and Board members are free to invest in International (ex-Australasian) shares provided no conflict of interest exists.

As a licensed manager of Managed Investment Schemes, we must act honestly and in the best interests of the Scheme participants. We recognise that in order to satisfy this duty, our staff and Board members must put the interests of our customers ahead of those of their own, or the interests of Devon.

We conduct all transactions with related parties of the Scheme in accordance with the rules on related party transactions that apply to Managed Investment Schemes under the FMC Act and as agreed with the Supervisor.

The general rule under the FMC Act is that we (and any other investment manager, administration manager, or other person to whom we have contracted some or all of our Manager functions), as Manager of a Scheme, are prohibited from entering into a transaction that provides for a related party benefit to be given unless this has been approved by the Supervisor in advance.

We define related party transactions as:

- Related party transactions (in relation to Devon) are transactions or dealings between Devon and a related party of Devon.
- Related party transactions can increase the level of risk for Devon when they are not transacted at arm's length.
- Related parties (in relation to Devon) include:
  - i. an associated person of Devon (as defined in the FMC Act); and
  - ii. a related body corporate of Devon (as defined in the FMC Act);
  - iii. a director or senior manager of Devon or any other person occupying a position that allows the person to exercise significant influence over the management or administration of Devon;
  - iv. an associate of a person referred to at (i) to (iii) above;
  - v. a director of an associated person of Devon; and
  - vi. a director of a related body corporate of Devon.
- Related party transactions could arise for Devon where:
  - i. services are provided by Devon to a related party, and vice versa; and
  - ii. Devon makes a loan or guarantee to a related party, and vice versa.

For more information on the rules on related party transactions that apply to Managed Investment Schemes under the FMC Act, go to: <http://fma.govt.nz/compliance/guidance-library/managed-investments/related-party-transactions-under-the-financial-markets-conduct-act-2013>

# 9. Information on market indices

Where relevant we reference Fund benchmarks in the PDS and SIPO. We may refer to an appropriate market index for comparative purposes in the Fund updates. In certain instances, the benchmark and the appropriate market index may be different. This may occur in the case of an absolute return type product whereby it is not the Fund's objective to follow a market index, for example, the Devon Alpha Fund and the Devon Diversified Income Fund. In these instances we may use a combination of any of the below indices we decide is appropriate.

More information on these indices can currently be found at the following web pages.

- S&P/NZX Indices: <http://us.spindices.com/regional-exposure/asia-pacific/new-zealand>
- S&P/ASX Indices: <http://www.asx.com.au/products/indices.htm>
- MSCI Indices: <https://www.msci.com/indexes>
- 90 Day Bank Bill: <http://www.rbnz.govt.nz/statistics/key-graphs/key-graph-90-day-rate>

Other indices:

- Official Cash Rate (**OCR**): <http://www.rbnz.govt.nz/monetary-policy/official-cash-rate-decisions>

The appropriate market indices that we use for comparative purposes in demonstrating a Fund's returns may be updated by us at any time.

The indices referenced above, and those web pages may be renamed or replaced from time to time without notice to you.

# 10. Financial statements and auditor's report

The Fund's balance date is 31 March each year and financial statements for the most recent accounting period will be uploaded to the Scheme Register by 31 July of that year.

The Fund's financial statements are audited by a qualified auditor, currently PriceWaterhouseCoopers (**PwC**). The auditor's report on the financial statements will accompany the financial statement upload to the Scheme Register each year. The auditor's report for the most recent financial statements was not qualified in any respect.

We provide a copy of the financial statements to investors. The most recent financial statements are available on our website, [www.devonfunds.co.nz](http://www.devonfunds.co.nz) or on the disclose register [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose).

# 11. No guarantee

No person, including Devon Funds Management Limited, Devon's Directors, Investment Services Group Limited (Devon Funds Management's parent company) or its Directors, employees, the Custodian, Fund adviser, the administration manager or the Supervisor, guarantees or promises the repayment of, or returns on, your investment in the Funds.





# Directory

## Manager

Devon Funds Management Limited

Level 10

Rabobank Tower

2 Commerce Street

Auckland 1010

PO Box 105 609

Auckland 1143

Telephone: 0800 944 049 (free call) or +649 925 3990

Email: [enquiries@devonfunds.co.nz](mailto:enquiries@devonfunds.co.nz) or

Website: [www.devonfunds.co.nz](http://www.devonfunds.co.nz)

## Directors:

Paul Anthony Glass

Brent Graham Impey

Andrew David Scott

Mel Tony Firmin

Dani Lee Gardiner

Slade Brownlie Robertson

## Supervisor

The New Zealand Guardian Trust Company Limited

Level 14

191 Queen Street

Auckland 1010

PO Box 274

Shortland Street

Auckland 1140

Telephone: +649 909 501

## Registrar/Administration manager

MMC Limited

Level 25

QBE Centre

125 Queen Street

Auckland 1010

## Solicitors

DLA Piper

50-64 Customhouse Quay

Wellington 6140

## Auditors

PricewaterhouseCoopers

188 Quay Street

Auckland 1010

# Devon

FUNDS MANAGEMENT

Devon Funds Management Limited

Level 10

Rabobank Tower

2 Commerce Street

Auckland 1010

PO Box 105 609

Auckland 1143

Telephone: 0800 944 049 (free call) or +649 9253990

Email: [enquiries@devonfunds.co.nz](mailto:enquiries@devonfunds.co.nz)

Website: [www.devonfunds.co.nz](http://www.devonfunds.co.nz)