DEVON EQUITY FUNDS RAIF

Société d'Investissement à Capital Variable (SICAV) –
Fonds d'investissement Alternatif Réservé

Registration Number B241217

Annual Review and Audited Financial Statements

for the period from 8 January 2020 (date of incorporation) to 31 December 2020

DEVON
Equity Management

CONTENTS

MANAGEMENT, ADMINISTRATION AND INDEPENDENT AUDITOR

Registered Address	6H, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Board of Directors	Richard Pavry Joachim Kuske Sophie Mosnier
Investment Manager & Distributor	Devon Equity Management Limited 123 Victoria Street London UK SW1E 6DE *Authorised and regulated by the Financial Conduct Authority* www.devonem.com (enquiries@devonem.com) +44 20 3985 0441
Depositary and Paying Agent **Domiciliary and Administrative Agent** **Registrar and Transfer Agent**	J.P. Morgan Bank Luxembourg S.A. 6, route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg
Alternative Investment Fund Manager	FundRock Management Company S.A. 33, rue de Gasperich L-5826 Hesperange Grand Duchy of Luxembourg
Auditor	PricewaterhouseCoopers, Société coopérative 2, rue Gerhard Mercator B.P.1443 L-1014 Luxembourg Grand Duchy of Luxembourg
Legal Advisers	Elvinger Hoss Prussen, société anonyme 2, Place Winston Churchill L-1340 Luxembourg

BOARD OF DIRECTORS REPORT

The Board presents the Annual Review and Audited Financial Statements of the Company for the period ended 31 December 2020.

Structure of the Company
The Board of Directors of the Company (the 'Board') has designated Fundrock Management Company S.A., a Luxembourg incorporated company, as the Alternative Investment Fund Manager of the Company, which has in turn appointed Devon Equity Management Limited as Investment Manager to the Company.

As at 31 December 2020, the Company comprised two sub-funds with multiple share classes. Details of sub-funds and class launches and liquidations during the period can be found in Note 1 to the Financial Statements.

Internal Control
The Board is responsible for establishing and maintaining the internal control structure of the Company, the objective being to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition and that transactions are executed in accordance with the applicable law and regulations and the Prospectus and are recorded properly in order to permit preparation of financial statements in conformity with Luxembourg generally accepted accounting principles.

Corporate Governance
The Board has responsibility for ensuring a high standard of corporate governance, as set out below:

1. The Board should ensure that high standards of corporate governance are applied at all times;

2. The Board should have good professional standing and appropriate experience and use best efforts to ensure it is collectively competent to fulfil its responsibilities;

3. The Board should act fairly and independently in the best interests of the investors;

4. The Board should act with due care and diligence in the performance of its duties;

5. The Board should ensure compliance with all applicable laws and regulations and with the Company's constitutional documents;

6. The Board should ensure that investors are properly informed, are fairly and equitably treated, and receive the benefits and services to which they are entitled;

7. The Board should ensure that an effective risk management process and appropriate internal controls are in place;

8. The Board should identify and manage fairly and effectively, to the best of its ability, any actual, potential or apparent conflict of interest and ensure appropriate disclosure;

9. The Board should ensure that shareholder rights are exercised in a considered way and in the best interests of the Company;

10. The Board should ensure that the remuneration of the Board members is reasonable and fair and adequately disclosed.

The Board undertakes an annual review of ongoing compliance and considers that the Company has complied with the Company's standards of corporate governance in all material aspects throughout the financial period ended 31 December 2020.

BOARD OF DIRECTORS REPORT continued

Responsibility and Role of the Board
The responsibility of the Board is governed by Luxembourg law. The Board is responsible for providing independent review and oversight in the best interests of the Company's investors. This includes approving the sub-funds' strategies, ensuring the sub-funds consistently follow their stated investment objectives, ensuring that the expenses charged to the sub-funds are reasonable, fair and appropriate and the effective oversight of delegated functions including the appointment of delegated parties and review of their activities and performance.

The Board maintains a direct role in matters such as proposing and declaring distributions, signing material agreements, deciding on and approving matters of policy such as changes to the Prospectus, sub-fund liquidations, mergers, launches and entering new markets.

Board Meetings
Board meetings for the first year of the Company's launch were held biannually in proportion to the Company's first year of operation. Board meetings in subsequent years are scheduled quarterly, and additional meetings are arranged if necessary. Board agendas and papers are issued within a reasonable amount of time prior to the Board meeting to allow the Board members to give them due consideration. These papers include reports from the AIFM, Devon Equity Management Limited and JPMBL (J.P. Morgan Bank Luxembourg) ('the Delegates') which enable the Board to assess the Delegates' compliance with relevant compliance and internal audit obligations. Representatives from each of the Delegates are present at the Board meetings to respond to queries from the Board members.

The minutes of any Board meeting shall be signed by the Chairman of the Board, or in his absence, by the Chairman protempore who presided at such Board meeting.

The Board is also informed of additional material matters without delay. Where immediate decisions are required due to time constraints, for example, the Board takes unanimous circular resolutions and discusses pressing issues via conference calls.

Board Composition
The Board is composed of three Board members, two of them being independent from Devon.

Richard Pavry

Director and Chairman

Richard Pavry, British, is the Chief Executive Officer at Devon Equity Management Limited. Richard began his career as a solicitor with Simmons & Simmons, moving to Jupiter Asset Management in 2000 where he served as head of investment trusts. He moved to Devon Equity Management Limited in November 2019.

Sophie Mosnier

Director

Ms Sophie Mosnier is an independent director of the Company with over 20 years of experience in the Asset Management industry. In addition to having significant knowledge of auditing and accounting, internal control, governance, compliance and operational issues, Ms Mosnier has expertise in the Luxembourg Fund industry. Ms Mosnier has been appointed as independent director to the board of several Luxembourg structures including Management Companies, UCITS and AIFs. Prior professional experience includes working in an Audit Big Four specializing in asset management and investment funds in Luxembourg and in New York. Ms Mosnier holds ILA and INSEAD's Corporate Governance Certificate.

BOARD OF DIRECTORS REPORT continued

Joachim Kuske

Director

Joachim Kuske has more than 20 years of experience in the investment funds industry and advising clients on matters of corporate governance. He was a member of the Luxembourg bar for more than 10 years in the asset management team of a top tier Luxembourg law firm and a member of the board of directors and conducting officer in the Luxembourg office of an international fund management company, allowing him to combine considerable legal and operational experience in the field of traditional and alternative investment funds.

Joachim holds several mandates in the management bodies of regulated or non-regulated open and closed ended fund vehicles, a CSSF authorised Investment Fund Manager and various financial participation vehicles. Through these mandates, he covers a wide range of asset classes, such as infrastructure, real estate, private equity, venture capital, hedge funds and liquid transferable securities.

Joachim holds a certificate from INSEAD's International Director Programme and is a certified director from the Luxembourg Institute of Directors (ILA). He sits on the board of directors of ILA and is an active member of ILA's legal and regulatory committee and a regular lecturer at ILA trainings. He furthermore serves as co-chairman of the Private Equity and Venture Capital publications working group with the Luxembourg Association of Investment Funds (ALFI).

Directors' Fees, Expenses and Interests

The Board members are entitled to remuneration from the Company as well as insurance coverage and reasonable out of pocket expenses in connection with Board meetings.

The Directors' and Officers' Liability Insurance indemnifies the Board members against certain liabilities arising in the course of performing their duties and responsibilities but does not cover against any dishonest or fraudulent act or omission on their part.

Further details of directors' fees, expenses and interests can be found in Note 9 of the Financial Statements.

Chairman's review

The last 12 months have been some of the most turbulent in the history of financial markets. The Covid-19 pandemic and the extraordinary measures implemented to control the spread of the virus plunged the global economy into its steepest recession in living memory. Against this challenging investment backdrop, we appreciate that investors in sub-funds of the Devon Equity Funds will have concerns regarding their investments. We would like to reassure you that Devon continues to operate, as it has done throughout the pandemic, with minimal disruption and with the best interests of investors placed at the heart of everything it does. Devon regularly reviews its operational resilience, and this includes our ability to manage and mitigate the effect of unexpected external shocks. Clients investing their money with Devon have access to an experienced and talented team of investment managers with a breadth of expertise across different market situations.

Continuing uncertainty in the world makes life challenging for investors, although it is at times like these that active funds have the best opportunity to lay the foundations upon which long-term outperformance can be built. Our active philosophy empowers our fund managers to invest according to their convictions and to avoid becoming closet trackers that simply follow the market. I believe this approach means that our portfolios are well-placed to adapt to a changing environment.

For and on behalf of the Board

Richard Pavry
Chairman
Luxembourg, 28 May 2021

The information stated in the report is historical and is not representative of future results.

EUROPEAN OPPORTUNITIES SUB-FUND

The investment objective of European Opportunities is to achieve long-term capital growth by exploiting special investment opportunities in Europe.

Investment manager's review – European Opportunities sub-fund
Performance since the launch of the sub-fund on 4 February to 31 December 2020 fell short of the MSCI Europe Index, the sub-fund's benchmark. The demise of Wirecard wholly accounts for the underperformance; the sub-fund's attribution is covered later in this report.

Notwithstanding the market's enthusiasm for cheap (even 'free') debt, our investment style remains entirely unchanged. We believe that in due course our companies, which typically have less debt and higher margins than the average company, will be valued more highly by the market. We seek to invest in companies which have resilience and flexibility and thereby can flourish in different economic scenarios. This, we consider, is a significant factor as we face extraordinary and uncertain times. We believe that the fund is well placed for different economic scenarios. There is a risk that inflationary pressures will emerge and that interest rates rise. Our focus on companies with strong balance sheets and profitable business models will stand us in good stead.

Quantitative Easing (QE), initially a short-term measure in the wake of the 2008/2009 financial crisis, has become a mainstay of policy making in the decade since, its consistent failure to stimulate inflation towards policy targets generally interpreted by Central Bankers as evidence that the QE was not big enough (never that the policy tool itself might need review). As a specific response to the economic ravages of COVID-19, European governments have also embarked on massive fiscal expansion. These policies, a combination of monetary expansion (interest rates at or close to 0%) and fiscal stimulus (governments across Europe giving grants and loans), both increase the reach of the state in economies and are likely to be inflationary. The Great Moderation before 2008 might be explained by the downward pressure on costs from China's integration into the international trading system, but that downward pressure is now reversing. Protectionist sentiment is on the rise, partly to protect European businesses from the loss of competitiveness from green policies.

The first manifestation of inflation has been in rising asset prices including quoted equities. European equity markets have risen in 2020 despite the damaging policy responses to the COVID-19 pandemic. In due course, we think that there will be consumer price inflation at which point interest rates are bound to rise. Our caution about debt is reflected in the portfolio's Net Debt to EBITDA ex Financials of 1.6x versus a ratio of 1.9x for the benchmark (Bloomberg, 31 December 2020). The portfolio's interest cover is 22x vs 14x for the benchmark (EBITDA to interest expense, ex Financials, Bloomberg, 31 December 2020).

European equity markets' buoyancy, sustained by the effect of massive fiscal and monetary stimulus, cannot disguise the sharp reversal of earnings and GDP in Europe. UBS recently estimated that European corporate earnings have fallen by 31% in 2020; they expect a 38% rebound in 2021. GDP in the European Union contracted by 7.6% in 2020 according to IMF forecasts; the same forecaster expects a 5.0% rebound in 2021. Other regions of the world appear to have resisted the COVID-19 effects more successfully, especially Asian countries. The ASEAN 5 countries suffered only a 3.4% reduction in GDP in 2020 according to the IMF. The Chinese economy even grew, it is estimated, 1.9% in 2020; the US economy contracted by 4.3%; and Brazil by 5.8%. Yet European equity markets matched the advances of other global markets. The MSCI World Index, Sterling adjusted, improved by 10.0% during the period under review. The S&P500 returned 10.6%. However, this belies the bigger story in the US which was the performance of the NASDAQ. Bolstered by the strong performance of leading technology stocks, the NASDAQ returned 31.1% in Sterling terms. Technology stocks are viewed as 'winners' in the post COVID world: electronic communications and entertainment replacing physical contact. The surge in technology stocks was a major factor also in Asia where the MSCI AC Asia ex- Japan was up 22.6% in Sterling. Europe has less exposure to technology stocks than the US or Asia.

European governments and the European Commission decided that it would make 'green' technologies the centre piece of recovery. This was crystallised in the 'The European Green Deal'. 'Striving to be the first climate-neutral continent', as the European Commission says, involves huge amounts of public money being poured into the new technologies needed for the energy transition. We have not invested in those stocks which are, initially at least, beneficiaries of new energy ideas like hydrogen. Europe's high-cost energy polices risk putting Europe's companies and consumers at a disadvantage in global competitiveness. As a result, we expect a reversal or moderation of policies in due course. The price of WTI crude in Sterling fell 6.6% in the period under review and remains low by historic standards. Oil and other fossil fuels will remain staples of the energy mix for decades to come.

Wirecard detracted 5.9% from the sub-fund's performance, which compares with the sub-fund's relative underperformance of 4.3% during the period under review. The demise of Wirecard has been covered extensively in our reports and in the press. A German government inquiry is currently ongoing. The precise details of the fraud are still not known. We sold all shares in Wirecard the day that convincing evidence of fraud was presented.

Grenke, which is a German-based leasing and factoring company detracted 1.8% from returns. It was a poor performer both because of the wider recession and because of specific allegations of fraud against the company. Though we took the precaution of selling the shares as news of the allegations broke, we are confident that the company is sound.

Carnival, the cruise line operator, detracted 1.2% and was an early casualty of travel restrictions. We sold all our shares as the business model depends to a great extent on a return to their normal way of operating: freedom to travel, high occupancy levels and ancillary revenue opportunities. With high fixed costs the company is vulnerable to any demand weakness and any 'trading down'.

Another underperforming stock was Deutsche Boerse, the German-based exchange organisation and market infrastructure provider. Low interest rates have deprived the group of one of its important sources of revenues; and, with the backdrop of investor optimism since the start of the market recovery, trading activity in derivative instruments has fallen. Such volatility is typically good for Deutsche Boerse's business. We are confident that in due course interest rates will rise and uncertainties in capital markets will again generate more business for the company.

Grifols was a lesser detractor. There are two reasons for share price weakness: the difficulties of collecting blood plasma, the key 'feedstock' for their products, due to COVID restrictions; and the potential new threat from alternative antibody suppression therapies, which are being developed to treat autoimmune diseases. These therapies work by blocking the binding of antibodies and are being developed with the aim of substituting Grifols' blood plasma fractionated products. Notwithstanding these concerns, we have increased our investment in Grifols. Historically, demand for Grifols products have grown at more than twice the rate of GDP growth. We expect demand to recover to this rate in due course as new indications for their products are established.

Our single biggest investment at period end, Experian also underperformed in the period under review. We retain a high degree of confidence in the company. Experian, one of the world's leading credit bureaus and specialist analytics providers for credit scoring, continues to report good results. The shares have been weak because the election of Biden as US President raises the possibility that his Administration will set up a new government-backed credit bureau in an attempt to improve financial inclusion. There is also a perceived threat of tighter consumer credit controls in the US. Notwithstanding these possibilities, we are convinced that Experian is singularly well placed to develop its credit data and analytics businesses across many markets including the US. We have retained the holding.

Three of the best contributors to performance, Infineon Technologies, S.O.I.T.E.C (Soitec) and ASML, all operate in the semiconductor industry. Combined, they added 3.9% to the performance of the fund. Infineon designs, manufactures, and markets semiconductors including power semiconductors, microcontrollers, security controllers, radio frequency products, and sensors. These find applications in the automotive, industrial, communications, and consumer and security electronics sectors. Soitec manufactures specialty SOI wafers used in the production of semiconductors. The company uses its proprietary Smart Cut process to modify silicon to allow for more speed and less consumption of power. Soitec's products are sold to the energy, electronic, and solar energy industries. It has a quasi-monopoly position in a growing niche of the semiconductor market. The Dutch company, ASML, is one of the world's largest makers of semiconductor manufacturing equipment, specialising in photolithography systems used to imprint circuitry patterns onto silicon wafers. ASML's products include EUV (extreme ultraviolet) lithography systems, DUV (deep ultraviolet) lithography systems, and metrology and inspection systems. All three companies have benefitted from the buoyancy of the semiconductor markets. The drivers include the communications requirements of more remote working, 5G and the 'Internet of Things'.

EUROPEAN OPPORTUNITIES SUB-FUND continued

Intermediate Capital Group, (ICG), the UK-listed global alternative asset manager in private debt, credit and equity, added 1.6% to performance in attribution terms. It is both ironic and instructive that our biggest contributor operates in the private markets. It highlights the attractions of private finance unencumbered by some of the challenges of the public markets. In part the strong share price performance was a rebound after the undue weakness earlier in the year. Confidence in the company was boosted as it recorded good results and reported that conditions for fund raising, investing and sales of investments, had remained favourable during the COVID-19 crisis. There are concerns that the British government (unlike other European governments) is considering increasing tax rates for those working in private equity. We do not think this eventuality would damage ICG's business as those concerned would probably leave the UK.

Genus, the UK-listed company, also enhanced the portfolio's returns. It provides cattle and pig breeding services. Using its own domestic production and contracts with breeding companies worldwide, it supplies dairy and beef semen used for artificial insemination. It also is a world leader in pig genetics. As African Swine Fever has devasted the pig populations in China, Genus has benefitted by supplying its porcine genetics to help rebuild pig herds.

Novo Nordisk, the largest average holding throughout the period, was another positive contributor. Results vindicate our confidence in the company. The new class of drugs to combat diabetes and obesity, GLP-1 (Glucagon-like peptide-1 receptor agonists), expands the company's addressable market. Moreover, the clinical evidence underpins our view that Novo Nordisk's GLP-1 drugs are sufficiently and positively differentiated to give them a strong market position with good long-term visibility of success. Novo Nordisk and its US competitor, Eli Lilly, dominate the global market for the treatment of diabetes, obesity and other comorbidities. Though Lilly is improving its GLP-1 therapeutic products to rival Novo Nordisk's leadership, the world is certainly big enough for both to flourish. Another healthcare company, BioMerieux, the French in vitro diagnostics company, contributed to returns. The company has benefitted from the wider understanding of the value of diagnostics in healthcare brought by the COVID pandemic; they have developed COVID-19 tests which have further enhanced this understanding.

Lastly, Ubisoft, the French video game company, contributed to returns. The recent strong share price performance vindicated our investment, after a poor 2019. It has prospered by providing 'socially distanced' entertainment. The greater, longer term, attraction of the business is that with technology advances, the quality of the games is improving, thereby stimulating demand. Further, Ubisoft's partnership with Tencent, the Chinese technology company, opens prospects of success in China.

Portfolio Activity

In response to the impact of COVID-19 and the associated policy reactions, we adjusted the portfolio in the first half of 2020. We sold our holdings in travel related companies whose businesses models depend on high-capacity utilisation. These included Amadeus and Carnival. These, we believe, are likely to be lasting casualties of COVID-19 restrictions. They are also companies which are directly or indirectly affected to a great extent by governments' interventions. For example, some airlines have had government support, and some have not. These interventions are consistent with the International Monetary Fund's (IMF) advice. Whilst recommending big increases in public expenditure (a reversal of the IMF's historic prudence), the IMF advocates European governments to provide "solvency support" to businesses, urging the European Central Bank to consider "direct support" to companies if bank lending is insufficient. Further, the IMF has advised governments to prioritise support for companies that, in the view of governments', are most viable, "while facilitating the exit of unviable companies". Such a policy introduces a great deal of political risk.

For the period under review, portfolio turnover was relatively high due to COVID-19 developments. However, the sales of three significant holdings, Wirecard, Bayer and Grenke, were unrelated to COVID-19 issues. We sold all shares in Wirecard the day that convincing evidence of fraud was presented. We sold the holding in Bayer when the company's plans to resolve the lawsuits against its product, Roundup (a glyphosate-based herbicide), foundered in the American courts. The other major sale was of shares in Grenke. Investors in Grenke were quick to see similarities with Wirecard when allegations of fraud were made against the company and its principal shareholder. Indeed, as soon as the allegations were made, as a precaution we immediately sold our holding. However, we subsequently reinvested in Grenke, with a smaller position size; we think that the company and its officers will be vindicated in due course and we are encouraged by Grenke's commitment to improve corporate governance.

EUROPEAN OPPORTUNITIES SUB-FUND continued

Most of the proceeds of these sales were deployed in increasing positions in existing holdings. We bought more shares in Ubisoft. We also bought more Genus. There were three new investments the largest of which was Soitec. We also established positions in Worldline and Mowi. Worldline is a French-based payments services company, offline and online, driven by the digitisation of payments. Mowi is the world's largest producer of Atlantic salmon. The feed conversion efficiency of salmon is one element that makes it a relatively low-cost product. Demand for salmon is increasing in North America, Europe, and Asia. Mowi is the biggest and most integrated producer and as such is best placed to capitalise on the positive demand trends.

Outlook

Fundamental investment tenets are being challenged by a new order, 're-purposing capitalism', that started before COVID. The new order's impact is hardened by COVID-related policies. The Environmental, Social and Governance (ESG) movement, the EU's Green Deal and similar programmes, and a significant expansion in the role and reach of central governments are part of this new order. Private equity is attracting capital more easily than public equity. Private Equity's share of global Merger and Acquisition and Investment activity reached 35% in 2020, which compares with a share of only 13% in 2009 (Bloomberg). In short, certain core elements of free market capitalism appear to be out of fashion.

As governments and other stakeholders increasingly influence the allocation of resources, inefficiencies and higher costs are inevitable. This is likely to prove inflationary. Whereas public markets adjust quickly when the fundamentals are disproved, with so much political capital invested in the 'green' recovery, European governments will be slow to recognise a misallocation of resources. The massive increase in debts makes markets more vulnerable to setbacks. Furthermore, where so much public money is deployed protectionist urges will become greater.

Our investment principles remain unchanged. In recognising the primacy of the consumer, we are wary of stocks which depend overly on government subsidies and policies, and which are vulnerable to protectionist measures: we try to avoid political risk. We focus on companies whose products and services deliver demonstrable value to customers. Our companies, all European listed, are typically global in their reach; tapping into growth opportunities around the world is ever more important not least because it is clear China and other Asian economies are stronger than Europe's. We invest in companies with proven and profitable products and services. There are, as always, great opportunities for world leading European listed companies. We seek to identify companies that will be winners from technology advances and where their business models are appropriate for the digital and global challenges. We remain confident that our investment process is well set to identify these winning companies.

Alexander Darwall
Portfolio Manager, 28 May 2021

GLOBAL OPPORTUNITIES SUB-FUND

The investment objective of Global Opportunities is to achieve long-term capital growth principally through investment in equities on an international basis.

Investment Manager's Review – Global Opportunities sub-fund
The sub-fund was launched on 2 November 2020.

The sub-fund Returned 14.6% to 31 December 2020, though given our long-term investment horizon we consider barely two months of performance an irrelevant yardstick.

The sub-fund offers exposure to a select group of companies we consider exceptional – characterised by leading positions in markets and industries with excellent long-term growth prospects.

In general, we do not try to tilt the portfolio to a particular style (or region) based on top-down predictions. Rather, our efforts are focused on unearthing a diverse blend of bottom-up stories which we expect to deliver excellent operating performance over the next five years.

Weighing how each of our 32 investee companies might look in 2025 vs today, we are excited about the multitude of opportunities on offer.

Charlie Southern
Portfolio Manager, 28 May 2021

REPORT OF THE DEPOSITARY

In our capacity as Depositary we confirm that, in our opinion, the AIFM and the Board of Directors have managed the Company during the period ended 31 December 2020 in accordance with the provisions of the principal documents of the Company and the Protection of Investors as stated in the Luxembourg Law and rules made thereunder.

J.P. Morgan Bank Luxembourg S.A. 6, route de Trèves,
Senningerberg
L-2633 Luxembourg, 28 May 2021

Audit report

To the Shareholders of
Devon Equity Funds RAIF

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Devon Equity Funds RAIF (the “Fund”) as at 31 December 2020, and of the results of its operations and changes in its net assets for the period from 8 January 2020 (date of incorporation) to 31 December 2020 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

What we have audited

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2020;
- the statement of operations and changes in net assets for the period from 8 January 2020 (date of incorporation) to 31 December 2020; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” 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.

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund 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 Board of Directors of the Fund is responsible for assessing the 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 Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit 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 audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;

- conclude on the appropriateness of the Board of Directors of the Fund’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 May 2021

Electronically signed by
Bertrand Jaboulay

Bertrand Jaboulay

STATEMENT OF NET ASSETS
As at 31 December 2020

Assets	Combined EUR
Investments in securities at cost	71,277,413
Unrealised gain/(loss)	8,388,224
Investments in securities at market value	79,665,637
Cash at bank and at brokers	1,085,153
Receivables on investments sold	28,190
Dividends receivable	32,975
Tax reclaims receivable	40,822
Fee waiver receivable	31,553
Other assets	203
Total assets	**80,884,533**
Liabilities	
Payables on investments purchased	27,704
Interest payable	885
Management fees payable	233,322
Other liabilities	90,598
Total liabilities	**352,509**
Total net assets	**80,532,024**

The accompanying notes form an integral part of the financial statements.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the period from 8 January 2020 (date of launch) to 31 December 2020

	Combined EUR
Net assets at the beginning of the period	**–**
Income	
Dividend income, net of withholding taxes	798,661
Bank interest	–
Total income	**798,661**
Expenses	
Management Company fees	522,477
Professional fees*	88,482
Administration fees	41,383
Bank and other interest expenses	8,840
Taxe d'abonnement	6,272
Depositary fees	5,819
Other operating expenses	27,196
Less: Fee waiver	(86,533)
Total expenses	**613,936**
Net investment income/(loss)	**184,725**
Net realised gain/(loss) on:	
Investments	(8,513,414)
Currency exchange	(376,143)
Net realised gain/(loss) for the period	**(8,889,557)**
Net change in unrealised appreciation/(depreciation) on:	
Investments	8,388,224
Currency exchange	522
Net change in unrealised appreciation/(depreciation) for the period	**8,388,746**
Increase/(decrease) in net assets as a result of operations	**(316,086)**
Subscriptions	80,848,110
Increase/(decrease) in net assets as a result of movements in share capital	**80,848,110**
Net assets at the end of the period	**80,532,024**

*Professional fees include audit fees, taxation fees, management fees and directors' fees.

The accompanying notes form an integral part of the financial statements.

REALISED GAINS/(LOSS) AND CHANGE IN UNREALISED APPRECIATION/(DEPRECIATION) ON INVESTMENTS AND DERIVATIVES

	Combined EUR
Realised gain on:	
Investments	1,355,371
Realised loss on:	
Investments	(9,868,785)
Net realised gain/(loss) for the period	**(8,513,414)**
Change in unrealised Appreciation on:	
Investments	9,765,675
Change in unrealised Depreciation on:	
Investments	(1,377,451)
Net change in unrealised appreciation (depreciation) for the period	**8,388,224**

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Devon Equity Funds RAIF (the Company) is an open-ended investment fund and has been incorporated on 8 January 2020 under Luxembourg laws as a Societe d'Investissement a Capital Variable for an unlimited period of time. The Company is governed by the provisions of the Law of 23 July 2016.

The Company comprised various sub-funds, each relating to a separate investment portfolio of securities, cash, and other assets. Separate classes of shares are issued in relation to the sub-funds. The Board of Directors of the Company may authorise the creation of additional sub-funds/share classes in the future.

The Company has appointed FundRock Management Company S.A. as AIFM within the meaning of the AIFM Law of 12 July 2013, in accordance with the terms and conditions of the AIFM Services Agreement, effective as from 27 January 2020. In this respect, the AIFM is responsible for investment management services, administration, including valuation of the assets of the Company, registrar and transfer agency services, marketing, domiciliation, and activities related to the assets of the Company. The AIFM is further responsible for the management of conflict of interest and the control of the well-informed status of the investors or Shareholders.

As at 31 December 2020, the following two sub-funds are active:

- European Opportunities
- Global Opportunities

During the period, the following changes were made:

Launch of sub-fund(s):

- on 4 February 2020, the European Opportunities sub-fund was launched.
- on 2 November 2020, the Global Opportunities sub-fund was launched.

In each sub-fund, the Company may issue shares in the following categories, which differ mainly in respect of fees, commissions, and distribution policy:

European Opportunities

Share Class	Minimum initial subscription and holding amounts	Investment Management Fee (up to)	Initial charge (up to)	Distribution Policy
Class I EUR Acc	EUR 2 million	0.70%	5%	Accumulation
Class I USD Acc	USD 2 million	0.70%	5%	Accumulation
Class I GBP Acc	GBP 2 million	0.70%	5%	Accumulation
Class I USD Acc HSC	USD 2 million	0.70%	5%	Accumulation

Global Opportunities

Share Class	Minimum initial subscription and holding amounts	Investment Management Fee (up to)	Initial charge (up to)	Distribution Policy
Class I USD Acc	USD 150,000	0.70%	5%	Accumulation

NOTES TO THE FINANCIAL STATEMENTS continued

2.1. Presentation of the financial statements

The financial statements are prepared in accordance with Luxembourg legal and regulatory requirements relating to investment funds under the going concern basis of accounting.

2.2. Valuation of investments in securities

Investments are recognised and derecognised on a trade date where a purchase and sale of an investment is under contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, being the consideration given.

Investments are valued in the statement of net assets at their fair value which is the latest available net asset value as determined by the Board, in good faith and in accordance with generally accepted accounting principles, based on estimates received from the different administrators or investment managers of the underlying investments. All investments are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise. The fair value of listed investments is based on their quoted bid price at the reporting date without any deduction for estimated future selling costs.

Foreign exchange gains and losses on fair value through profit or loss investments are included within the changes in the fair value of the investments.

For investments that are not actively traded and/or where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques. These techniques may draw, without limitation, on one or more of: the latest arm's length traded prices for the instrument concerned; financial modelling based on other observable market data; independent broker research; or the published accounts relating to the issuer of the investment concerned.

2.3. Combined financial statements

The accounts of the Company are expressed in EUR and the accounts of the sub-funds are kept in the currency of each sub-fund. The combined statement of net assets and the combined statement of operations and changes in net assets are the sum of the net assets, the statement of operations and changes in net assets of each sub-fund converted into the currency of the Company using exchange rates prevailing at period-end.

2.4. Dividend and interest income

Dividends are shown net of withholding tax deducted at source and are recorded as income on the ex-dividend date. Interest income is accrued on a daily basis over the life of the investment.

3. Foreign currency translation

The reference currency of the Company is EUR and the combined statements are expressed in that currency. The books and records of each sub-fund are denominated in the reference currency of the corresponding sub-fund.

The acquisition cost of securities expressed in a currency other than the reference currency of the respective sub-funds is translated at the exchange rates prevailing on the date of purchase.

Income and expenses expressed in currencies other than the reference currency of the respective sub-funds are converted at exchange rates ruling at the transaction date.

Assets and liabilities expressed in currencies other than the reference currency of the respective sub-funds are converted at exchange rates prevailing at period-end.

NOTES TO THE FINANCIAL STATEMENTS continued

3. Foreign currency translation continued

Reported realised foreign currency gains or losses arise from the disposition of foreign currency, purchase of foreign currency in certain countries that impose a tax on such purchases, currency gains or losses realised between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on each sub-fund's books on the transaction date and the reference currency equivalent of the amounts actually received or paid.

Unrealised foreign exchange gains and losses arise from changes (due to the changes in the exchange rate) in the value of foreign currency and other assets and liabilities denominated in foreign currencies, which are held at period-end. The realised or change in unrealised gains and losses on foreign exchange are recognised in the statement of operations and changes in net assets.

Here are the principal exchange rates applied at period-end:

1 EUR = CHF 1.0811

1 EUR = GBP 0.8993

1 EUR = USD 1.2275

4. Swing pricing/dilution levy

A sub-fund may suffer dilution of the net asset value per share due to investors buying or selling shares in a sub-fund at a price that does not reflect dealing and other costs that arise when security trades are undertaken by the Investment Manager to accommodate cash inflows or outflows.

In order to counter this impact, a swing pricing mechanism has been adopted to protect the interests of shareholders of the sub-funds. If on any valuation date, the aggregate net capital activity of a sub-fund exceeds a pre-determined threshold, as determined and reviewed for each sub-fund on a periodic basis by the Board, the net asset value per share will be adjusted upwards or downwards to reflect costs associated with net capital inflows or net capital outflows respectively.

The swing pricing mechanism may be applied across all sub-funds. The extent of the price adjustment is set by the Board to reflect dealing and other costs. The amount of the adjustment may vary from sub-fund to sub-fund and will not exceed 0.25% of the original net asset value per share.

No dilution levy or swing price mechanism was applied to the sub-funds of the Company during the period.

5. Realised gains and losses on sales of investments in securities

Investments in securities are accounted for on a trade basis. Realised gains and losses on sales of investments in securities are calculated on the average cost basis and include transaction costs.

6. AIFM Fees

The AIFM has appointed Devon Equity Management Limited ("Devon") as Investment Manager to provide certain management services.

The Investment Management Fee is calculated and accrued per sub-fund on the basis of the daily Net Asset Value of each sub-fund and is payable monthly in arrears. The fee rates per annum charged and applicable to each Class of Shares during the period ended 31 December 2020 are shown at Note 1 above.

6. AIFM Fees continued

The AIFM is responsible on a day-to-day basis, under the supervision of the Board of Directors, for providing administration, marketing and investment management services in respect of all sub-funds.

In the context of its marketing function, Devon may enter into agreements with Distributors pursuant to which the Distributors agree to act as intermediaries or nominees for investors subscribing for shares through their facilities.

In the context of its administration functions, the AIFM has delegated its administration functions to J.P. Morgan Bank Luxembourg S.A., the Administrator.

The AIFM will monitor on a continual basis the activities of the third parties to which it has delegated functions. The agreements entered into between the AIFM and the relevant third parties provide that the AIFM can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The AIFM's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

Full details are published in the Company's prospectus which is available at www.devonem.com.

7. Administration, Custodian, Transfer Agent and Depositary Fees

J.P. Morgan Bank Luxembourg S.A. was appointed to perform central administration duties for the Company pursuant to a delegation of such duties to it by the Management Company.

J.P. Morgan Bank Luxembourg S.A. as Administrator, Custodian and Depositary is entitled to receive custodian fees, fund accounting fees, transfer agency fees and fiduciary fees.

The custodian fee consists of safekeeping, administration and transaction charges. Safekeeping and administration charges are applied to the market value of the assets of the country of the underlying investments held in custody at the end of the billing period. The transaction charges are based on the number of transactions in a particular country. The safekeeping and administration fee rate varies according to the country of the underlying investments and decreases depending on the thresholds in a particular country.

The fund accounting fee is the sum of the base NAV calculation fee plus the total of all other fees, including but not limited to financial reporting, share class valuation, tax reporting and all other fees detailed in the fee schedule agreement. The base fee per sub-fund which may be paid to J.P. Morgan Bank Luxembourg S.A. in its capacity as Administrator is calculated as the greater of the minimum annual fee of GBP 30,000 or an ad valorem fee (from 0.50 to 3.00 basis points) based upon the sub-fund's month-end NAV.

The transfer agency fee is based on the number of transactions processed, the number of holdings (shareholder accounts), the number of new investor accounts opened and include fund/class set-up and annual maintenance fees, enhanced fund distribution support, platform connectivity fee and out-of-pocket expenses.

The fiduciary fee per sub-fund is calculated as the greater of the minimum annual fee or an ad valorem fee based upon the sub-fund's month-end NAV.

8. Auditors Fees and Terms of Engagement

PricewaterhouseCoopers, Société coopérative have been appointed by the shareholders at their annual general meeting as Auditors of the Company for the current accounting period and the shareholders have authorised the Board to agree with the Auditors on their terms of appointment.

NOTES TO THE FINANCIAL STATEMENTS continued

9. Directors' Fees, Expenses and Interests

The Chairman receives no fee. Each independent Director receives fees of EUR 16,000 including taxes per annum. In addition, all Directors are entitled to reimbursement by the Company of any expenses directly incurred in the execution of their duties as Directors.

Save as referred to above, no Director holds any shares in the Company nor has any interest in any transaction which, during the period under review, has been affected by the Company and is unusual in its nature or conditions, or is significant to the business of the Company.

10. Other expenses

In order to seek to protect the shareholders from fluctuations in ordinary operating expenses, Devon Equity Management Limited has agreed to waive a proportion of its management fee in order to ensure that the aggregate of the following expenses shall not represent more than 1 per cent of the annual Net Asset Value of the Class of Shares for each sub-fund:

- AIFM fees and expenses;
- Depositary, fund accounting, transfer agency and fiduciary fees: J.P. Morgan Bank Luxembourg S.A., acting as Administrator and Depositary, is entitled to receive depositary fees, fund accounting fees, transfer agency fees and fiduciary fees. The depositary fee consists of safekeeping, administration and transaction charges;
- Costs related to the preparation and filing of tax or other reports in respect of the operations of the Company or its shareholders;
- Directors' remuneration, their insurance coverage and reasonable travelling costs and out-of-pocket expenses in connection with board meetings; and
- Audit fees.

There are certain other fees that are payable by the Company outside of the scope of the above undertaking:

- Set up costs incurred in connection with the launch of a new fund;
- Costs related to the preparation and publication of data, literature and shareholder communications, including the costs of preparing, printing and distributing prospectuses, Key Investor Information Documents ('KIIDs'), periodical reports or registration statements, and the costs of any reports to shareholders;
- Any fees and expenses involved in registering and maintaining the registration of the Company with any governmental agencies or stock exchanges in the Grand Duchy of Luxembourg and in any other country together with associated support fees;
- Paying agent fees;
- Dividend/income distribution fees;
- Costs of agents employed by the Company, Correspondents and permanent representatives in places of registration;
- Financial and regulatory reporting costs;
- Governmental charges, taxes and duties;

10. Other expenses continued

- Legal fees;
- Each Share Class bears the costs relating to certain transactions such as the costs of buying and selling underlying securities, costs charged by any financial institution or organisation in relation to swap agreements or over-the-counter transactions, bank charges relating to delivery, receipt of securities or to foreign exchange transactions and fees relating to collateral management, transaction costs, stock lending charges, interest on bank overdraft and any other extraordinary fees and expenses.
- Each Share Class also bears any extraordinary expenses incurred due to external factors, some of which may not be reasonably foreseeable in the normal course of activity of the Company such as, without limitation, any litigation expenses or any tax, levy, duty or similar charge of fiscal nature imposed on the Company or its assets by virtue of a change of laws or regulations.

Professional fees as described in this annual report include audit fees, taxation fees, management fees and directors' fees.

11. Formation Expenses

Formation expenses consists of costs in connection with the incorporation of the Company and were borne by Devon Equity Management Limited.

12. Taxe d'abonnement and Other Operational Taxes

The Company is liable in Luxembourg to a tax (taxe d'abonnement), such tax being payable quarterly and calculated on the Net Asset Value of the Company at the end of the relevant calendar quarter. The taxe d'abonnement is levied at a rate of 0.01% per annum on sub-funds or Classes reserved to Institutional Investors and at 0.05% per annum on other sub-funds or Classes.

Under current law and practice, the Company is not liable to Luxembourg taxes on income or capital gains, nor are dividends paid by the Company liable to any Luxembourg withholding tax.

Interest, dividends and capital gains on securities may be subject to withholding or capital gains taxes in certain countries.

Where the withholding tax in certain jurisdictions has been raised at a rate higher than the rate applicable to comparable domestic funds, the Company may launch a withholding tax reclaim with the national tax authorities of those countries, with no guarantee of success. If and when those tax reclaims are successful, the proceeds of tax reimbursement are recognised in the Statement of Operations and Changes in Net Assets as 'Dividend income, net of withholding taxes'.

13. Dividend distributions

No distributions are made in respect of the accumulation share classes.

NOTES TO THE FINANCIAL STATEMENTS continued

14. European Opportunities sub-fund statement of net assets

Assets	European Opportunities EUR
Investments in securities at cost	68,858,858
Unrealised gain/(loss)	7,986,105
Investment in securities at market value	76,844,963
Cash at bank and at brokers	1,068,053
Receivables on investments sold	–
Dividends receivable	32,607
Tax reclaims receivable	40,822
Fee waiver receivable	16,483
Other assets	203
Total assets	**78,003,131**

Liabilities	
Payables on investments purchased	–
Interest payable	885
Management fees payable	217,929
Other liabilities	83,849
Total liabilities	**302,663**
Total net assets	**77,700,468**

NOTES TO THE FINANCIAL STATEMENTS continued

Statement of operations and changes in net assets

	European Opportunities EUR
Net assets at the beginning of the period	**–**
Income	
Dividend income, net of withholding taxes	797,677
Bank interest	–
Total income	**797,677**
Expenses	
Management Company fees	504,156
Professional fees	85,038
Administration fees	41,134
Bank and other interest expenses	8,839
Taxe d'abonnement	6,230
Depositary fees	5,777
Other operating expenses	27,152
Less: Fee waiver	(71,463)
Total expenses	**606,863**
Net investment income/(loss)	**190,814**
Net realised gain/(loss) on:	
Investments	(8,508,171)
Currency exchange	(373,905)
Net realised gain/(loss) for the period	**(8,882,076)**
Net change in unrealised appreciation/(depreciation) on:	
Investments	7,986,105
Currency exchange	522
Net change in unrealised appreciation/(depreciation) for the period	**7,986,627**
Increase/(decrease) in net assests as a result of operations	**(704,635)**
Subscriptions	78,405,103
Increase/(decrease) in net assets as a result of movements in share capital	**78,405,103**
Net assets at the end of the period	**77,700,468**

NOTES TO THE FINANCIAL STATEMENTS continued

Realised gains/(loss) and change in unrealised appreciation/(depreciation) on investments and derivatives – European Opportunities sub-fund

	European Opportunities EUR
Realised gain on:	
Investments	1,347,459
Realised loss on:	
Investments	(9,855,630)
Net realised gain/(loss) for the period	**(8,508,171)**
Change in unrealised Appreciation on:	
Investments	9,346,072
Change in unrealised Depreciation on:	
Investments	(1,359,967)
Net change in unrealised appreciation (depreciation) for the period	**7,986,105**

European Opportunities
Schedule of Investments

As at 31 December 2020

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Equities				
Denmark				
Novo Nordisk A/S 'B'	DKK	110,000	6,337,412	8.16
			6,337,412	**8.16**
France				
BioMerieux	EUR	10,000	1,162,000	1.49
Dassault Systemes SE	EUR	21,000	3,497,025	4.50
Edenred	EUR	72,000	3,369,960	4.34
Gaztransport Et Technigaz SA	EUR	40,636	3,229,546	4.16
SOITEC	EUR	22,000	3,522,200	4.53
Ubisoft Entertainment SA	EUR	58,341	4,646,277	5.98
Worldline SA, Reg. S	EUR	30,000	2,368,800	3.05
			21,795,808	**28.05**
Germany				
Deutsche Boerse AG	EUR	35,000	4,894,750	6.30
GRENKE AG	EUR	25,000	971,750	1.25
Infineon Technologies AG	EUR	115,000	3,630,262	4.67
Knorr-Bremse AG	EUR	10,000	1,116,300	1.44
			10,613,062	**13.66**
Netherlands				
ASML Holding NV	EUR	8,000	3,208,000	4.13
Wolters Kluwer NV	EUR	35,000	2,429,700	3.13
			5,637,700	**7.26**
Norway				
Borregaard ASA	NOK	67,516	914,295	1.17
Elkem ASA, Reg. S	NOK	125,000	339,623	0.44
Mowi ASA	NOK	60,000	1,096,120	1.41
			2,350,038	**3.02**
Spain				
Grifols SA	EUR	150,753	3,622,595	4.66
			3,622,595	**4.66**

NOTES TO THE FINANCIAL STATEMENTS continued

Investments	Currency	Quantity/ Nominal Value	Market Value EUR	% of Net Assets
Switzerland				
Barry Callebaut AG	CHF	1,361	2,651,186	3.41
			2,651,186	**3.41**
United Kingdom				
Arrow Global Group plc	GBP	834,621	1,895,499	2.44
Experian plc	GBP	235,000	7,332,090	9.44
Genus plc	GBP	70,541	3,299,006	4.24
Intermediate Capital Group plc	GBP	160,000	3,066,222	3.94
Network International Holdings plc, Reg. S	GBP	150,000	548,564	0.71
Oxford Instruments plc	GBP	35,000	782,233	1.01
Pets at Home Group plc	GBP	160,000	759,128	0.98
RELX plc	EUR	295,000	5,911,800	7.61
RWS Holdings plc	GBP	40,785	242,620	0.31
			23,837,162	**30.68**
Total Equities			76,844,963	98.90
Total Transferable securities and money market instruments admitted to an official exchange listing			76,844,963	98.90
Total Investments			**76,844,963**	**98.90**
Cash			**1,068,053**	**1.37**
Other assets/(liabilities)			**(212,548)**	**(0.27)**
Total net assets			**77,700,468**	**100.00**

Geographic allocation of portfolio	% of Net Assets
United Kingdom	30.68
France	28.05
Germany	13.66
Denmark	8.16
Netherlands	7.26
Spain	4.66
Switzerland	3.41
Norway	3.02
Total Investments	**98.90**
Cash and Other assets/(liabilities)	**1.10**
Total	**100.00**

NOTES TO THE FINANCIAL STATEMENTS continued

Sector allocation of portfolio	% of Net Assets
Chemicals	1.63
Total Materials	**1.63**
Media & Entertainment	6.05
Total Communication Services	**6.05**
Retailing	0.99
Total Consumer Discretionary	**0.99**
Food, Beverage & Tobacco	4.87
Total Consumer Staples	**4.87**
Oil, Gas & Consumable Fuels	4.21
Total Energy	**4.21**
Diversified Financials	14.08
Total Financials	**14.08**
Pharmaceuticals, Biotechnology & Life Sciences	17.25
Health Care Equipment & Services	1.51
Total Health Care	**18.76**
Capital Goods	1.46
Commercial & Professional Services	20.72
Total Industrials	**22.17**
Semiconductors & Semiconductor Equipment	13.48
Software & Services	12.74
Technology Hardware & Equipment	1.02
Total Information Technology	**27.24**
Totals	**100.00**

NOTES TO THE FINANCIAL STATEMENTS continued

15. Global Opportunities sub-fund Statement of Net Assets

Assets	Global Opportunities USD
Investments in securities at cost	2,968,824
Unrealised gain/(loss)	493,609
Investment in securities at market value	3,462,433
Cash at bank and at brokers	20,991
Receivables on investments sold	34,604
Dividends receivable	452
Tax reclaims receivable	–
Fee waiver receivable	18,499
Other assets	–
Total assets	**3,536,979**

Liabilities	
Payables on investments purchased	34,007
Interest payable	–
Management fees payable	18,895
Other liabilities	8,285
Total liabilities	**61,187**
Total net assets	**3,475,792**

NOTES TO THE FINANCIAL STATEMENTS continued

Global Opportunities sub-fund
Statement of operations and changes in net assets

	Global Opportunities USD
Net assets at the beginning of the period	**–**
Income	
Dividend income, net of withholding taxes	1,208
Bank interest	–
Total income	**1,208**
Expenses	
Management Company fees	22,489
Professional fees	4,228
Administration fees	305
Bank and other interest expenses	1
Taxe d'abonnement	52
Depositary fees	52
Other operating expenses	54
Less: Fee waiver	(18,499)
Total expenses	**8,682**
Net investment income/(loss)	**(7,474)**
Net realised gain/(loss) on:	
Investments	(6,436)
Currency exchange	(2,747)
Net realised gain/(loss) for the period	**(9,183)**
Net change in unrealised appreciation/(depreciation) on:	
Investments	493,609
Currency exchange	–
Net change in unrealised appreciation/(depreciation) for the period	**493,609**
Increase/(decrease) in net assests as a result of operations	**476,952**
Subscriptions	2,998,840
Increase/(decrease) in net assets as a result of movements in share capital	**2,998,840**
Net assets at the end of the period	**3,475,792**

NOTES TO THE FINANCIAL STATEMENTS continued

Realised gains/(loss) and change in unrealised appreciation/(depreciation) on investments and derivatives – Global Opportunities sub-fund

	Global Opportunities USD
Realised gain on:	
Investments	9,712
Realised loss on:	
Investments	(16,148)
Net realised gain/(loss) for the period	**(6,436)**
Change in unrealised Appreciation on:	
Investments	515,071
Change in unrealised Depreciation on:	
Investments	(21,462)
Net change in unrealised appreciation (depreciation) for the period	**493,609**

NOTES TO THE FINANCIAL STATEMENTS continued

Global Opportunities
Schedule of Investments

As at 31 December 2020

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
Transferable securities and money market instruments admitted to an official exchange listing				
Equities				
Australia				
CSL Ltd.	AUD	286	62,756	1.81
			62,756	**1.81**
China				
JD Health International, Inc., Reg. S	HKD	2,900	56,054	1.61
Tencent Holdings Ltd.	HKD	1,000	72,782	2.09
Xiaomi Corp., Reg. S 'B'	HKD	40,200	172,284	4.96
			301,120	**8.66**
Germany				
Infineon Technologies AG	EUR	3,333	129,153	3.72
			129,153	**3.72**
Hong Kong				
Bridgetown Holdings Ltd.	USD	3,928	69,172	1.99
			69,172	**1.99**
Japan				
Hoya Corp.	JPY	700	96,890	2.79
Keyence Corp.	JPY	200	112,614	3.24
Sony Corp.	JPY	800	79,934	2.30
			289,438	**8.33**
Netherlands				
ASML Holding NV	EUR	198	97,463	2.81
			97,463	**2.81**
Switzerland				
Dufry AG	CHF	844	53,252	1.53
			53,252	**1.53**
Taiwan				
Accton Technology Corp.	TWD	9,000	101,101	2.91
Sea Ltd., ADR	USD	340	66,893	1.92
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	USD	1,040	113,251	3.26
			281,245	**8.09**

NOTES TO THE FINANCIAL STATEMENTS continued

Investments	Currency	Quantity/ Nominal Value	Market Value USD	% of Net Assets
United Kingdom				
RELX plc	GBP	2,862	70,295	2.02
			70,295	**2.02**
United States of America				
Cadence Design Systems, Inc.	USD	1,779	240,663	6.92
Comcast Corp. 'A'	USD	2,118	108,473	3.12
Eli Lilly and Co.	USD	649	108,445	3.12
Fiserv, Inc.	USD	1,652	186,544	5.37
IHS Markit Ltd.	USD	626	55,407	1.59
Illumina, Inc.	USD	666	242,551	6.98
Intuit, Inc.	USD	180	67,616	1.94
IQVIA Holdings, Inc.	USD	1,274	226,237	6.51
Marriott International, Inc. 'A'	USD	718	93,699	2.70
Micron Technology, Inc.	USD	655	47,101	1.35
Moody's Corp.	USD	545	155,619	4.48
Palo Alto Networks, Inc.	USD	236	83,991	2.42
Synopsys, Inc.	USD	330	84,807	2.44
Thermo Fisher Scientific, Inc.	USD	394	182,020	5.24
Tradeweb Markets, Inc. 'A'	USD	1,041	64,058	1.84
Visa, Inc. 'A'	USD	476	103,937	2.99
Zscaler, Inc.	USD	285	57,371	1.65
			2,108,539	**60.66**
Total Equities			3,462,433	99.62
Total Transferable securities and money market instruments admitted to an official exchange listing			3,462,433	99.62

Total Investments	**3,462,433**	**99.62**
Cash	**20,991**	**0.60**
Other assets/(liabilities)	**(7,632)**	**(0.22)**
Total net assets	**3,475,792**	**100.00**

NOTES TO THE FINANCIAL STATEMENTS continued

Geographic allocation of portfolio	% of Net Assets
United States of America	60.66
China	8.66
Japan	8.33
Taiwan	8.09
Germany	3.72
Netherlands	2.81
United Kingdom	2.02
Hong Kong	1.99
Australia	1.81
Switzerland	1.53
Total Investments	**99.62**
Cash and Other assets/(liabilities)	**0.38**
Total	**100.00**

Sector allocation of portfolio	% of Net Assets
Media & Entertainment	7.16
Total Communication Services	**7.16**
Consumer Durables & Apparel	2.31
Consumer Services	2.71
Retailing	3.15
Total Consumer Discretionary	**8.17**
Diversified Financials	8.34
Total Financials	**8.34**
Health Care Equipment & Services	2.80
Pharmaceuticals, Biotechnology & Life Sciences	23.75
Total Health Care	**26.55**
Commercial & Professional Services	3.62
Total Industrials	**3.62**
Semiconductors & Semiconductor Equipment	11.18
Software & Services	23.82
Technology Hardware & Equipment	11.15
Total Information Technology	**46.16**
Totals	**100.00**

NOTES TO THE FINANCIAL STATEMENTS continued

16. Statistical information

	Shares outstanding as at 31 December 2020	NAV per share as at 31 December 2020
Devon Equity Funds RAIF – European Opportunities		
Class I GBP Acc	7,140,000	9.7871
Total net assets in EUR		**77,700,468**
Devon Equity Funds RAIF – Global Opportunities		
Class I USD Acc	299,884	11.5905
Total net assets in USD		**3,475,792**

17. Principal risk profile

The principal risks which the Company faces, similar to other investment funds, include exposure to:

(i) market price risk, including currency risk, interest rate risk and other price risk;

(ii) liquidity risk; and

(iii) credit and counterpartyrisk.

Market price risk – This is the risk that the fair value or future cash flows of a financial instrument held by the sub-funds may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk.

Liquidity risk – This is the risk that the sub-funds will encounter difficulty in meeting obligations associated with financial liabilities.

Credit and counterparty risk – This is the exposure to loss from the failure of a counterparty to deliver securities or cash for acquisitions or to repay deposits.

There have been no changes to the management of or the exposure to these risks since that date.

18. Transactions with Connected Parties

All transactions with connected parties were carried out on an arm's length basis. The Investment Manager and its affiliates, the Directors, the AIFM and other related agents of the Company are considered connected parties.

NOTES TO THE FINANCIAL STATEMENTS continued

19. Use of Dealing Commission

The Investment Manager pays for research services from its own resources and its clients take on no research costs at all.

During the period ended 31 December 2020, no brokerage commission rebates were obtained by the sub-fund's Manager or any of their connected persons and no soft commission arrangements were in place.

20. Events during the reporting period

The outbreak of the COVID-19 pandemic poses additional risks to the Company. Government interventions and restrictions on the movement of people and business operations have inevitably had an impact on the operations of the Company and the businesses in which it invests. The Investment Manager continues to monitor closely the impacts of the pandemic on the businesses and sectors in which the Company invests. The Board and Investment Manager review and discuss the sub-funds on a regular basis and the Board is satisfied that the Investment Manager and other key service providers have suitable arrangements in place to continue to provide services to the Company during the pandemic.

21. Subsequent events

On 12 February 2021, following regulatory approval by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg, Apex Group Ltd. became the ultimate controlling shareholder of FundRock Management Company S.A and FundRock Management Company S.A is as of this date a subsidiary of Apex Group Ltd.

FundRock Management Company S.A has not changed its name or its operations.

GLOSSARY OF TERMS

Alternative Investment Fund – an Alternative Investment Fund ('AIF') is a collective investment undertaking, including investment compartments of such an undertaking, which (1) raises capital from a number of investors, with a view to investing it in accordance with a defined investment policy for the benefit of those investors; and (2) does not require authorisation under the UCITS regime. The Company is an AIF.

AIFM or Alternative Investment Fund Manager – an Alternative Investment Fund Manager ('AIFM') is an entity that provides certain investment services, including portfolio and risk management services. The Company has appointed FundRock Management Company S.A. as its AIFM.

Alternative Investment Fund Managers Directive – a European Union Directive to provide a harmonised framework for monitoring and supervising risks posed by AIFMs and the AIFs they manage, and for strengthening the internal market in alternative funds.

Alternative Performance Measures – The European Securities and Markets Authority ('ESMA') published its guidelines on Alternative Performance Measures ('APMs'). APMs are defined as being a 'financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable accounting framework.'

Benchmark – The sub-funds primary Benchmark, against which its performance is measured, is the MSCI Europe Index and MSCI AC World Index.

Net Asset Value – The net asset value ('NAV') in relation to a fund is the market value of its assets less its liabilities (and is sometimes also referred to as Shareholders' Funds). The market value is usually determined by the price at which an investor can redeem a share. For valuation purposes it is common to express the NAV on a per share basis.

Net Asset Value Total Return* – The NAV return with dividends added back on their XD date.

Ongoing Charges – Ongoing charges are the total expenses including both the investment management fee and other costs but excluding interest costs and performance fees, expressed as a percentage of NAV.

Return – The return generated in a given period from the investments:

a. **Revenue Return** reflects the dividend and interest from investments and other income net of expenses, finance costs and taxation;

b. **Capital Return** reflects the capital gain or loss, excluding any revenue return; and

c. **Total Return** reflects the aggregate of revenue and capital returns.

* An Alternative Performance Measure.

ADDITIONAL INFORMATION (UNAUDITED)

AIFM – Risk Management
The AIFM has a responsibility for risk management for the Company which is in addition to the Board's corporate governance responsibility for risk management. The AIFM has a Risk Management Process Document which demonstrates that risk management is separated functionally and hierarchically from operating units and demonstrates independence safeguards. The Investment Manager maintains adequate risk management systems in order to identify, measure and monitor all risks at least annually under the AIFMD. The Investment Manager is responsible for the implementation of various risk activities such as risk systems, risk profile, risk limits and testing.

The AIFM has an ongoing process for identifying, evaluating, and managing the principal risks faced by the Company and this is regularly reviewed by the Board. The Board remains responsible for the Company's system of internal control and for reviewing its effectiveness.

Investment Management
The AIFM provides portfolio management of assets and investment advice in relation to the assets of the Company. It has delegated this function to FundRock Management Company S.A. The Board remains responsible for setting the investment strategy, investment policy and investment guidelines and the AIFM operates within these guidelines. Details of the Company's sub-fund's investment objective, strategy, and investment policies, including limits, are in the Prospectus.

Valuation of illiquid assets
The AIFMD requires the disclosure of the percentage of the Alternative Investment Fund's assets which are subject to special arrangements arising from their illiquid nature and any new arrangements for managing the liquidity of the Company. None of the Company's sub-funds invests in illiquid assets.

Leverage
In certain circumstances the sub-funds may make use of leverage for the purposes of investment by means of cash borrowings. The AIFM is responsible for calculating and monitoring the level of leverage of each Sub-Fund (expressed as the ratio of the sub-fund's exposure to its net asset value) following the 'Gross Method'. Although as a RAIF, the Company is not subject to UCITS regulations, it has chosen to abide by the UCITS leverage regulation. In accordance with the limits applicable under this regulation, the maximum level of leverage, calculated based on the Gross Method, that the sub-funds may use is 200%. The total amount of leverage used by the sub-funds will be indicated in the annual report. No sub-fund had any leverage as at 31 December 2020. The global exposure of the sub-funds is calculated using the commitment approach.

Liquidity Management
The AIFM, in consultation with the Board, maintains a liquidity management policy which is considered at least annually. No new arrangements for managing the liquidity of the Company have been made.

ADDITIONAL INFORMATION (UNAUDITED) continued

UK Tax Reporting Fund Regime
All Funds are Reporting Funds for UK taxation purposes for the period ended 31 December 2020. Tax reporting information for the period ended 31 December 2020 in respect of these Funds is available at www.devonem.com.

	European Opportunities	Global Opportunities
Sub-Fund currency	EUR	USD
Dividend Income, net of witholding taxes	797,677	1,208
Shares outstanding	7,140,000	299,884
Income per Unit Sub-Fund Currency	0.1117	0.0040
Income per Unit (£)	0.1005	0.0030
ISIN	LU2091191705	LU2243248395
Start of reporting period	1 January 2020*	1 January 2020*
End of reporting period	31 December 2020	31 December 2020

* Except for the first reporting period starting from 8 January 2020 to 31 December 2020.

MSCI data
This document contains information based on the MSCI Europe and the MSCI AC World Indices. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Risk
The Company's investment portfolio is actively managed. This means the Investment Manager is taking investment decisions with the intention of achieving the Company's investment objective; this may include decisions regarding asset selection, regional allocation, sector views and overall level of exposure to the market. The Investment Manager is not in any way constrained by the benchmark in its portfolio positioning, and will not hold all, or indeed may not hold any, of the benchmark constituents.

Subscriptions
Subscriptions cannot be received on the basis of this report. Subscriptions can only be accepted on the basis of the current Prospectus accompanied by the key investor information document of the respective sub-funds, supplemented by the latest annual report.

Remuneration
FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

As an independent management company relying on a full-delegation model (i.e., delegation of the collective portfolio management function), FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office.

The amount of remuneration for the financial period ending 31 December 2020 paid by FundRock to its staff: EUR 12,070,862.

Fixed remuneration: EUR 11,288,396

Variable remuneration: EUR 782,466

Number of beneficiaries: 133

The aggregated amount of remuneration for the financial period ending 31 December 2020 paid by FundRock to identified staff/risk takers is EUR 1,948,900.

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are considered.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

The total remuneration for the financial period ending 31 December 2020 paid by Devon to its staff attributable to fees received from the Company was GBP 86,000.

Fixed remuneration: GBP 56,000

Variable remuneration: GBP 30,000

Number of beneficiaries: 9

The aggregated remuneration for the financial period ending 31 December 2020 paid by Devon to identified staff/risk takers attributable to fees received from the Company was GBP 22,000.

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of Devon, and when assessing individual performance, financial as well as non-financial criteria are considered.

Environmental, Social and Governance ("ESG") matters

Although the Company does not have specific ESG or sustainability objectives and does not require its Investment Manager, Devon, to employ negative screens, the Board shares Devon's belief that ESG factors are an important and value adding component of company research. Devon incorporates ESG factors into its investment decisions on behalf of the Company and it views ESG as a material input to its fundamental evaluation of securities. The Board and Devon both believe that companies with good practices are better placed to achieve good investment outcomes for investors over the longer term.

Whilst ESG issues, such as strong governance, form an integral part of the wider investment process, Devon does not consider sustainability risks explicitly. Consequently, Devon does not promote the Company as an ESG product for the purposes of the EU Sustainable Finance Disclosure Regulation ("SFDR").

ADDITIONAL INFORMATION (UNAUDITED) continued

Devon's investment decisions for the Company are primarily driven by business and financial considerations. They are looking for companies with distinctive characteristics which they expect to yield substantial benefits to shareholders over the long term. As such, they recognise that political, environmental, and social issues are likely to have a material impact on future financial performance.

Given Devon's lengthy holding periods for investee companies, sustainability of growth is a critical consideration in assessing prospective investments. Companies which depend on unsustainable business practices are unlikely to meet the threshold required for investment. For example, Devon places great emphasis on corporate culture and the integrity of management (and undertakes extensive research in this area prior to any investment).

Devon believes that a strong corporate culture demands a high level of employee satisfaction and is unlikely to tolerate exploitative labour, uneconomic wages, negligent or dangerous business practices. Similarly, Devon believes that the end consumer of goods or services to be a powerful arbiter. If a company compromises on raw material quality, abuses its supply chain, or underinvests in its workforce, then its product and/or service quality is likely to suffer. This, in turn, would have the effect of turning consumers away from its products or services, damaging its brand, and lowering future growth prospects. Such considerations are central to Devon's investment process.

Devon recognises that certain industries and countries with weak environmental or governance structures present additional business risks for prospective investee companies. As part of its diligence process, it will become aware of where and how such risks exist. However, provided that all applicable laws and regulations are applied and adhered to, Devon defers to the judgement of management teams as to the appropriateness of operating in any such industry or jurisdiction. If such activities change Devon's risk perception of an industry or company, they may preclude an investment.

Devon is a signatory to the Principles for Responsible Investment ("PRI") and the UK Stewardship Code. The Stewardship Code's principles of management and emphasis on active engagement are closely aligned with Devon's investment philosophy. Devon's concentrated, long term approach affords significant scope to engage with investee management teams on issues relating to culture, governance, and enduring sustainability. It is Devon's belief that these core characteristics of its investment approach are the most effective way for the Devon to uphold high standards of governance.

DEVON
Equity Management

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