



CONSERVATIVE REAL RETURN FUND

INVESTMENT UPDATE as at 30 April 2012

INVESTMENT OBJECTIVE

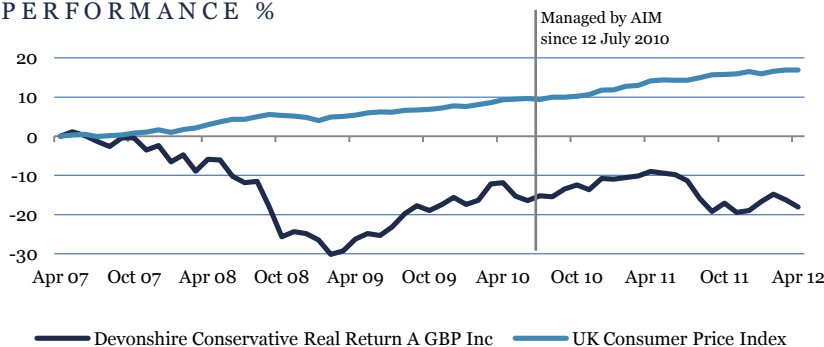
The objective of the Fund is to provide long-term capital growth from a diversified portfolio of investments using a conservative strategy.

FUND STRATEGY

- To achieve a positive return in all market conditions on at least a rolling 24 month basis.
- Targets CPI +5% p.a. over a market cycle (gross of all fees).
- No need to generate an income.

This strategy aims to produce steady growth. Consequently, for example, it may invest less in stock markets even if the managers are bullish on equities. The equity selection will tend to be more conservative. The Conservative Real Return Fund is one of a series of Devonshire strategies in The Portfolio. It offers dynamic asset allocation which allows the managers to move between a range of asset classes, without restriction, when it is sensible to do so. In essence, investors can be 'in' equities, property, fixed interest, hedge funds, cash or commodities when it is right to be 'in' and 'out' when necessary – in whatever combination will generate the best overall return.

PERFORMANCE %



Source: Lipper IM. Past performance is not a guarantee to future returns.

DISCRETE ANNUAL PERFORMANCE TO QUARTER END %

To 31 Mar	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012
	-7.6	-22.3	24.0	2.4	-6.8

Source: Lipper IM. Past performance is not a guarantee to future returns.

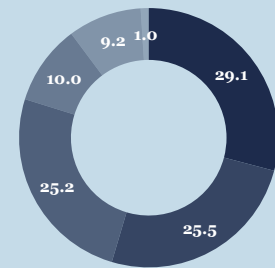
DISCRETE MONTHLY PERFORMANCE %

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	2.8	2.3	-1.7	-2.1									1.1
2011	-0.2	0.5	0.5	1.3	-0.5	-0.4	-1.8	-5.1	-3.9	2.6	-2.9	1.6	-8.2
2010	-2.1	1.3	4.9	0.4	-3.8	-1.4	1.5	-0.3	2.4	1.2	-1.4	3.3	5.7
2009	-2.2	-5.0	1.4	4.2	1.9	-0.7	3.0	4.4	2.5	-1.5	1.9	2.3	12.3
2008	-4.3	1.9	-4.4	3.4	-0.2	-4.4	-1.8	0.3	-7.4	-9.3	1.8	-0.7	-23.1
2007	0.2	1.1	-0.5	1.5	1.2	-1.0	-1.5	-1.4	2.3	0.1	-3.1	1.2	-0.2

Source: Lipper IM. Past performance is not a guarantee to future returns.
Figures in bold represent the time period AIM have been managing the portfolio.

ASSET ALLOCATION (%)

Equity	29.1
Fixed income	25.5
Alternative	25.2
Cash/Currency	10.0
Commodities	9.2
Real estate	1.0



TOP 10 HOLDINGS (%)

Merrill Lynch SA (Commod Alpha GBP)	8.0
iShares S&P Global Water 50 GBP	7.9
Muzinich Short Duration High Yield GBP	6.7
Prime Rate Sterling Liquidity Fund	6.6
SSgA Cash Management Fund	6.6
db x-trackers DJ Stoxx 600 Healthcare ETF	4.9
Fidelity Global Inflation-Linked Bond Fund	4.8
SX5E Dividend Dec 15	4.4
iShares DJ Asia/Pacific Select Div GBP	4.3
SGD/USD 2012-06-28 Forward	3.6

PERFORMANCE (%)

3 Months	-1.6
Year to Date	1.1
1 Year	-10.0
3 Years	11.2
5 Years	-18.1

Source: AIM and Lipper IM.



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FUND MANAGER COMMENTS

Markets turned negative during April with European politics and a softer patch of US economic data unnerving investors. A likely change of president and policy in France, combined with the collapse of the Dutch coalition, served as a reminder of how fragile sentiment remains. Within bond markets Spanish, Italian and French 10-year bond yields continued to widen, while German and UK yields contracted. The FTSE 100 index fell 2.1%, while gilts rose 0.4% in sterling total return terms.

The Conservative Real Return Fund fell 2.1% in sterling, total return terms during the month.

The general risk aversion hit many of our holdings with Brazilian equities and commodities amongst the biggest fallers in absolute terms. This was offset by our short exposure to the Euro Stoxx 50 and Russell 2000 indices. There was also positive performance from the Fidelity Global Inflation Linked Bond and Muzinich Short Duration High Yield funds, AT&T and Coca-Cola.

We increased our bet against German government bonds as yields shrank below those on offer in Japan for the first time in more than 20 years. We see relatively little downside risk to this trade unless deflation takes hold. This looks particularly unlikely in Germany where unemployment is at a multi-decade low, wage demands are increasing and rates remain artificially low.

LEAD MANAGERS



Dr Ana Cukic Armstrong is joint managing partner of AIM. She previously worked as co-head of Insight Investment's Multi-Asset Group, head of portfolio construction at UBS and as an analyst at Fischer Francis and Coutts. Ana has a PhD and an MBA from Imperial College.



Patrick Armstrong is joint managing partner of AIM. He previously worked as co-head of Insight Investment's Multi-Asset Group, head of manager selection at UBS and as an equity analyst at Deutsche Bank. Patrick has an MBA from the Rotman School of Management and is a Chartered Financial Analyst.

The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Tax assumptions and reliefs depend on an investor's particular circumstances and may change if those circumstances or the law change. If you invest through a third-party provider you are advised to consult them directly as charges, performance and terms and conditions may differ materially. Past performance is not an indicator of future performance. Full details of the risks can be found in the Simplified Prospectus, the Prospectus and the Supplement for the fund, which can be obtained from Armstrong Investment Managers at www.multi-asset.co.uk. Nothing in this document should be construed as investment advice. Issued by Armstrong Investment Managers LLP, which is authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS FSA no. 503693. Devonshire Assets Managed Funds Plc (formerly Dynamic Assets Managed Fund Plc) is an open-ended umbrella investment company with variable capital incorporated in Ireland under the Companies Acts 1963 to 2009 and an umbrella fund with segregated liability between sub-funds. Devonshire Assets Managed Funds Plc is authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) as such may be amended, supplemented or consolidated from time to time. The Fund is a sub-fund of Devonshire Assets Managed Funds Plc.

FUND FACTS

Fund size:	£41.2m
Minimum initial investment:	£10,000
Minimum withdrawal:	£5,000
Initial charge:	up to 5%
Annual management charge:	1.5%
Status:	OEIC
Launch date:	2 February 2005
Type of unit:	Distribution
Base Currency:	GBP
Dividend declaration dates:	30 Jun, 31 Dec

ISIN CODES

GBP Inc	IE00B063QK42
GBP Acc	IE00B3QTGS12
Eur Inc	IE00B3VTB030
Eur Acc	IE00B3YX0271
CHF Inc	IE00B3YNW322
CHF Acc	IE00B3QG1L00
SEK Inc	IE00B3YT5K87
SEK Acc	IE00B3XL1969
USD Inc	IE00B3Z2RP58
USD Acc	IE00B42ZH218

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