**THE CAUTIOUS RETURN FUND**

**SIMPLIFIED PROSPECTUS**

**Dated 15 November 2011**

**This Simplified Prospectus contains key information in relation to The Cautious Return Fund** (the **Fund**), **a sub-fund of Devonshire Assets Managed Funds plc** (the **Company**). **The Company was incorporated on 23 December 2004 and is an umbrella fund with segregated liability between sub-funds and an open-ended investment company with variable capital authorised on 27 January 2005 by the Central Bank of Ireland under the European Communities (UCITS) Regulations, 2011, as amended** (the **Regulations**). **The Company currently has five other sub-funds, namely The Distribution Real Return Fund, The Conservative Real Return Fund, The Balanced Real Return Fund, The Equity Income Fund and The Tactical Real Return Fund. Other sub-funds may be established from time to time.**

**Potential investors are advised to read the Prospectus of the Company dated 15 November 2011 and the Supplement dated 15 November 2011 (**together the **Prospectus) before making an investment decision on whether or not to invest in the Fund. The rights and duties of the investor as well as the legal relationship with the Company are laid down in the Prospectus.**

**Capitalised terms used in this Simplified Prospectus and not otherwise defined have the same meaning as in the Prospectus.**

**The Fund's Base Currency is Sterling.**

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| **Investment objective** | The objective of the Fund is to produce a positive return over the long term regardless of market conditions by investing primarily in interest bearing assets and related derivatives. |
| **Investment policy** | The Fund will seek to achieve its objectives by holding a diversified portfolio of interest bearing securities and/or related assets. The securities may be denominated in any currency and could include bills, notes and bonds issued by governments, government agencies, supranational institutions and corporations which may have fixed or floating rates of interest and which need not be of investment grade, as defined by Standard & Poors and need not have a credit rating. The related assets could be deposits or forward currency contracts (such as non-deliverable forwards) or alternatively, interest rate, currency or credit derivatives (such as credit default swap). Forward currency contracts and Financial Derivative Instruments (FDI's) as detailed in the Prospectus may be held either with the purpose of reducing risk or of seeking to enhance prospective returns. The Fund will not invest in equities or equity-related derivatives. The Fund may invest globally, mainly in OECD countries and in accordance with the list of Markets set out in Appendix I to the Prospectus but without any specific geographical focus.<br><br>The returns, if any, which the Fund aims to produce could be in the form of capital or income or a mixture of the two and are targeted to exceed the rate of interest typically available on Sterling deposits (such as LIBOR).<br><br>The Fund may also invest in other transferable securities, money market instruments, other FDIs and forward contracts, deposits, such as commercial paper, certificates of deposit and bank and building society deposits as well as units in collective investment schemes (CIS, which comply with the criteria below) and will, from time to time hold cash and near cash.<br><br>The Fund may invest up to 20% of its Net Asset Value in emerging market countries (including emerging market debt securities) and may invest up to 5% of its Net Asset Value in Warrants.<br><br>Subject to the Regulations, the Fund may invest up to 100% of its Net Asset Value indirectly in such securities through holdings in CIS that satisfy the requirements of the Authority, which are UCITS, Irish retail non-UCITS, Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including schemes managed by the Investment Manager or its affiliates provided that the Fund may invest no more than 20% of its Net Asset Value in any one collective investment scheme and may invest no more than 30% of its Net Asset Value in collective investment schemes which are not UCITS and that the Fund will only invest in CIS which comply with the relevant |

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| | criteria set out in the Prospectus. The Investment Manager would not expect the annual management charges of the underlying collective investment schemes in which the Fund invests to be higher than 3% of their net asset value. Details of such annual management charges will be furnished in the annual report and accounts circulated to investors.<br><br>The Fund may use FDIs (subject to the investment and borrowing limits set out in the Prospectus) as set out in more detail in the Prospectus and may also enter into repurchase and reverse repurchase agreements as well as stocklending arrangements, borrowing, cash holdings, hedging and other investment techniques to reduce risks, costs or to enhance returns or a combination of all of these subject to the relevant restrictions set out by the Authority.<br><br>For full details on the Fund's investment policy, please refer to the Prospectus. | |
| **Risk profile** | Investments in the Fund will be subject to market fluctuations, currency fluctuations, emerging market risks, custody and settlement risks, registration risk and foreign exposure risk.<br><br>The value of the investment may fall as well as rise and investors may not recoup the original amount invested in the Fund. An investment should only be made by those persons who are able to sustain a loss on their investment. There can be no guarantee that the investment objective of the Fund will actually be achieved.<br><br>This Fund may invest principally in FDIs for investment purposes and for hedging.<br><br>**Due to the higher than average degree of risk attached to investment in this Fund, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**<br><br>The Fund may invest in securities which may be regarded as predominantly speculative with respect to the issuer's continuing ability to meet principal and interest payments. High yield security prices may be more susceptible to real or perceived adverse economic and industry conditions than higher rated securities. Historically, the prices of high yield securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic and/or industry conditions, or corporate developments. If the issuer of high yield securities defaults, the Fund may incur additional expenses to seek recovery.<br><br>**Warrants**<br><br>An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be suitable for all investors.<br><br>A description of the risk factors applying to the Fund is set out in full in the Prospectus. | |
| **Performance Data** | The above graph shows past performance in Sterling. | **Average annual return for the period ending 31/12/2010**<br><br>**Class A Shares**<br>Past year (to 31/12/10): 0.23%<br>Past 5 years: N/A<br>Since inception: 14.68**%**<br><br>**Class B Shares** – N/A (Class B Shares have been trading for less than a full financial year)<br><br>(Source: Financial Express. Data to 31/12/10, taken on 20 May 2011.)<br><br>**Please note that the past performance of the Fund is not necessarily an indicator of future performance.**<br><br>Performance Data do not include subscription and repurchase charges (if any). |

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| **Profile of the typical investor** | Investment in the Fund is suitable for investors who are able to sustain a loss on their investment and who seek long term capital growth from a diversified portfolio of investments. |
| **Distribution Policy** | The Directors intend to declare at least 85% of the net income (i.e., revenue accrued in the period including dividend and interest, less expenses accrued in the period) of the Fund attributable to each class quarterly as a dividend to the Shareholders of each class of Shares on the register of members as at the close of business on the relevant Dealing Day. A Shareholder may, by ticking the appropriate box in the application form elect to receive all dividends in cash. If the Shareholder does not so elect all dividends will be automatically reinvested in the purchase of new Shares in the relevant Fund.<br><br>Dividends payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in which case the dividend will be paid with the expense being paid out of the assets of the Fund and will be paid within four months of the date the Directors declared the dividend. |
| **Fees and Expenses** | **Shareholders transaction expenses**<br><br>**All Classes**<br>Subscription Charge: Up to 5.00%<br>Repurchase Charge: Nil<br>Exchange Charge: Up to 5.00%<br><br>**Annual operating expenses (exclusive of VAT, if any)**<br><br>All **share class**es<br>Administrator's Fees**: 0.10%<br>Custodian's Fees**: 0.05%<br>Promoter's Fees: Up to 0.05%<br><br>*Administrator's and Custodian's fees are subject to monthly minima of £2,500 and £1,250 respectively<br>** the aggregate fees payable to both the Global Distributor and Platform Distributor shall together not exceed 0.75% of the Net Asset Value of the Fund<br>***Promoter's fee is subject to an annual minimum of €100,000<br><br>Investment Manager's Fees***: Class A Shares 1.5%; Class B Shares 1.5%<br>***Investment Manager's fees may increase to 2.5%<br><br>The out of pocket, transaction and other expenses of the above parties (other than the Investment Manager) are paid out of the assets of the Fund at normal commercial rates. The Custodian is also entitled to sub-custodian's fees at normal commercial rates.<br><br>Please refer to the Prospectus under the heading **Fees and Expenses** for further details of the fees and expenses.<br><br>Total Expense Ratio charged to the Fund (as at 31/12/2009)<br><br>Historical information in relation to the total operating expenses can be obtained from the Administrator, details of which are available below.<br><br>**Class A**: 2.08%<br>**Class B**: 2.08%<br><br>Portfolio Turnover Rate 237.26% |
| **Taxation** | The Fund will only be subject to Irish tax in respect of Shareholders who are taxable Irish persons (generally being persons who are resident or ordinarily resident in Ireland for tax purposes) on certain chargeable events. Shareholders who are neither resident nor ordinarily resident in Ireland, subject to receipt of appropriate declaration, will not be subject to any Irish tax including any deductions from |

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| | any payments made. **Shareholders and prospective Shareholders should familiarise themselves with and where appropriate take tax advice on the tax treatment of their holdings of Shares.** |
| **Publication of Share Price** | Details of the most recent subscription and repurchase prices of the Shares may be obtained from the Company. These prices are also published on the website http://www.distinctionfunds.co.uk/daily-prices/ |
| **How to buy/sell Shares** | Instructions to buy, sell and switch Shares should be addressed to the Administrator by the Dealing Deadline on the relevant Dealing Day as set out in the Prospectus.<br><br>\| \| Class A Shares \| Class B Shares \|<br>Minimum Initial Investment Amount* — £10,000 — €10,000<br>Minimum Additional Investment Amount* — £10,000 — €10,000<br>Minimum Shareholding* — £10,000 — €10,000<br>Minimum Repurchase Amount* — £5,000 — €5,000<br>*(subject to the discretion of the Directors in each case to allow lesser amounts).<br><br>Frequency of dealing is daily, further details of which are contained in the Prospectus. |
| **Additional Important Information** | **Directors of Company:** Hugh Ward<br>Michael Boyce<br>Dr. Ana Armstrong<br>Philip McEnroe<br><br>**Promoter** GlobalReach Securities Limited<br><br>**Investment Manager:** Armstrong Investment Managers LLP<br><br>**Custodian:** Northern Trust Fiduciary Services (Ireland) Limited<br><br>**Administrator:** Northern Trust International Fund Administration Services (Ireland) Limited<br><br>**Auditors:** Grant Thornton<br><br>**Supervisory Authority:** The Central Bank of Ireland<br><br>**Listing:** Irish Stock Exchange<br><br>Additional information and copies of the full Prospectus, the latest annual and semi-annual report and accounts may be obtained free of charge from the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland. |