

Devonshire Research Group, LLC Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Devonshire Research Group, LLC. If you have any questions about the contents of this brochure, please contact us at (646) 559-1316 or by email at: info@devonshireresearch.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Devonshire Research Group, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Devonshire Research Group, LLC's CRD number is: 283618.

805 Third Avenue, Suite 1501
New York, NY 10022
(646) 559-1316
info@devonshireresearch.com
<https://devonshireresearch.com>

Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Devonshire Research Group, LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Devonshire Research Group, LLC (hereinafter “Devonshire Research”) is a Limited Liability Company. The firm was formed in March 2016, and the principal owner is Matthew Edward Stack.

B. Types of Advisory Services

Portfolio Management Services

Devonshire Research offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Devonshire Research creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Devonshire Research evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Devonshire Research seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Devonshire Research’s economic, investment or other financial interests. To meet its fiduciary obligations, Devonshire Research attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Devonshire Research’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Devonshire Research’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

Subadvisor Services

Devonshire Research may also act as a subadvisor to advisers unaffiliated with Devonshire Research. These third-party advisers would outsource portfolio management services to Devonshire Research. This relationship will be memorialized in each contact between Devonshire Research and the third-party adviser.

Services Limited to Specific Types of Investments

Devonshire Research generally limits its investment advice to equities or venture capital funds, although Devonshire Research primarily recommends technology to a majority of its clients. Devonshire Research may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

Devonshire Research offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. Devonshire Research does not participate in any wrap fee programs.

E. Assets Under Management

Devonshire Research has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$0	April 2017

Item 5: Fees and Compensation

A. Fee Schedule

Performance-Based Fees for Portfolio Management

Qualified clients will pay an annual fee of 1.50% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

A "qualified client" includes:

- (1) a natural person or company who at the time of entering into such agreement has at least \$1,000,000 under the management of the investment adviser;
- (2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,000,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- (3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled with 30 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

Subadviser Services Fees

Devonshire Research may also act as a subadviser to unaffiliated third-party advisers and Devonshire Research would receive a share of the fees collected from the third-party adviser's client. The fees charged will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for subadviser services will depend on the specific third-party investment adviser engaging Devonshire

Research as subadviser. This relationship will be memorialized in each contract between Devonshire Research and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

B. Payment of Fees

Payment of Performance-Based Portfolio Management Fees

Performance-based portfolio management fees may be invoiced and billed directly to the client on a quarterly basis. Fees are paid in arrears.

Payment of Subadviser Fees

Clients may be invoiced for subadviser fees, as disclosed in each contract between Devonshire Research and the applicable third-party adviser.

C. Client Responsibility For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Devonshire Research. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

Devonshire Research collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither Devonshire Research nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

Devonshire Research manages accounts that are billed on performance-based fees (a share of capital gains on or capital appreciation of the assets of a client) and may as well manage accounts that are not billed on performance-based fees. Managing both kinds of accounts at the same time presents a conflict of interest because Devonshire Research and/or its supervised persons have an incentive to favor accounts for which Devonshire Research receives a performance-based fee. Devonshire Research addresses the conflicts by ensuring that clients are not systematically advantaged or disadvantaged due to the presence or absence of performance-based fees. Devonshire Research seeks best execution and upholds its fiduciary duty for all clients. Clients paying a performance-based fee should be aware that investment advisers have an incentive to

invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

Item 7: Types of Clients

Devonshire Research generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Banks and Thrift Institutions
- ❖ Other Investment Advisers

There is no account minimum for any of Devonshire Research's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

Devonshire Research's methods of analysis include Fundamental analysis, Quantitative analysis or Technical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Quantitative analysis deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

Devonshire Research uses long term trading, short term trading, short sales or options trading (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Investment Strategies

Devonshire Research's use of short sales or options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Options transactions involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

Short sales entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Devonshire Research's use of short sales or options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

Options are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

Clients can obtain the disciplinary history, if any, of Devonshire Research and its representatives from the Massachusetts Securities Division upon request. Please also see below for a discussion of applicable disciplinary history.

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither Devonshire Research nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Devonshire Research nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Matthew Stack sits on the board of four technology startup companies: Sift Page, Inc., Liquidware, Metascape, and Koning Corporation. These entities are not investment related and Mr. Stack does not offer any service to clients from his outside activities. He is a special advisor to the United Nations in New York City on topics of bitcoin, blockchain, and cryptocurrency, and Swiss Reinsurance Company Ltd in Zurich, Switzerland. These roles are not investment related and Mr. Stack does not offer any service to clients from his outside activities.

Matthew Stack is Managing Director for XLP Capital. This entity is not investment related and Mr. Stack does not offer any service to clients from his outside activities.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

Devonshire Research does not utilize nor select third-party investment advisers. All assets are managed by Devonshire Research management.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

Devonshire Research has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Devonshire Research's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

Devonshire Research does not recommend that clients buy or sell any security in which a related person to Devonshire Research or Devonshire Research has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of Devonshire Research may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Devonshire Research to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Devonshire Research will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of Devonshire Research may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Devonshire Research to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of

interest; however, Devonshire Research will never engage in trading that operates to the client's disadvantage if representatives of Devonshire Research buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Devonshire Research does not recommend brokers/custodians.

1. *Research and Other Soft-Dollar Benefits*

Devonshire Research does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

2. *Brokerage for Client Referrals*

Devonshire Research receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

Devonshire Research does not trade client's accounts.

B. Aggregating (Block) Trading for Multiple Client Accounts

Devonshire Research does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for Devonshire Research's advisory services provided on an ongoing basis are reviewed at least quarterly by Matthew Stack, Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels. All accounts at Devonshire Research are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client of Devonshire Research's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Devonshire Research receives compensation via its arrangement with its underlying subadvisers, but otherwise does not receive any economic benefit from any other third party for advice rendered to Devonshire Research's clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

Devonshire Research does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

Devonshire Research does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

Item 16: Investment Discretion

Devonshire Research does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

Devonshire Research will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

Devonshire Research neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Devonshire Research nor its management has any financial condition that is likely to reasonably impair Devonshire Research's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

Devonshire Research has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

The education and business backgrounds of Devonshire Research's current management person, Matthew Edward Stack, can be found on his Form ADV Part 2B brochure supplement.

Matthew Stack, Founder and Chief Compliance Officer, is management person and act as an investment adviser representatives.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

C. Calculation of Performance-Based Fees and Degree of Risk to Clients

Qualified clients will pay an annual fee of 1.50% of assets under management along with a 20.00% performance fee based on capital appreciation. If the client's portfolio rises in value, the client will pay 20.00% on that increase in value, but if the portfolio drops in value, the client will not incur a new performance fee until the portfolio reaches the last highest value, adjusted for withdrawals and deposits, which is generally known as a "high water mark." The high water mark will be the highest value of the client's account on the last day of any previous quarter, after accounting for the client's deposits or withdrawals for each billing period.

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. This service may be canceled with 30 days' notice. Clients must pay the prorated performance-based fees for the billing period in which they terminate the Investment Advisory Contract up to and including the day of termination.

A "qualified client" includes:

- (1) a natural person or company who at the time of entering into such agreement has at least \$1,000,000 under the management of the investment adviser;
- (2) a natural person or company who the adviser reasonably believes at the time of entering into the contract: (A) has a net worth of jointly with his or her spouse of more than \$2,000,000 excluding the value of the client's primary residence; or (B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)); or
- (3) a natural person who at the time of entering into the contract is: (A) An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or (B) An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar function or duties for or on behalf of another company for at least 12 months.

D. Material Disciplinary Disclosures for Management Persons of this Firm

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither Devonshire Research, nor its management persons, has any relationship or arrangement with issuers of securities. See Item 10.C and 11.B.