

GLOBAL EQUITIES – AUGUST 2020 RESULTS

August was another solid month for stock markets, with the global stock market, measured by the MSCI World Index, hitting a new all-time high during the month. It is simply extraordinary that this is occurring in the midst of a recession, with company profits falling, and enormous uncertainty over the future path of the economy. Why is this time different?

Support from both government and central banks is unequivocal. The government is supporting banks in allowing home and business owners in debt to defer payments, staving off the bankruptcies that would usually flow through the economy in a recession. They are also improving the financial situation of many of those out of work through supplementary payments. In addition, central banks have set interest rates at zero for the foreseeable future. The distressed individual is therefore getting an income supplement and a deferred, lower mortgage bill. This takes away the financial side of the recession, making this the Global Non-Financial Crisis.

We remain cautious in our fund positioning, viewing the long-term stock market returns as only moderate compared to elevated uncertainty over the next year. Nevertheless, investors are facing very low returns on other investments, and many areas of the stock market are still attractively priced, so we are not negative in our market view at this price. We would not be surprised to see some volatility around stock prices in coming months.

All of our funds had positive returns for the month. In general, we saw a continuation of recent themes, with Information Technology (IT) stocks leading the way up, and the US dollar weakening. Global stock markets were up 6.7% in US dollars, but only 3.2% in Australian dollars due to the rising value of the Australian dollar. This has nothing to do with Australia, and everything to do with monetary policy in the United States. After the US rates led the world back up towards normal levels, they have reversed policy and taken rates to zero for the long-term. These lower rates make holding money in the US less attractive, and investors are shunning the US dollar, helping the value of the Australian dollar. General consensus is that the rebalance towards the Aussie

dollar takes us to around 75 US cents this year compared to 73 US cents at present, so the bulk of the move has happened already.

As earnings season ended, we have seen more attention paid to the US Presidential election, which is two months away. Biden is slightly favoured to win the Presidency, but the Democrats are almost certainly not going to win enough seats in the Senate to pass any meaningful policy regardless. Healthcare stocks were sold off over the month over concerns that the government would act to reduce drug prices in the US. We think this is unlikely but wouldn't be surprised by some peripheral changes around government drug programs. There has been some focus on antitrust issues for US IT stocks, but this hasn't had as much of an impact.

The Evans & Partners Global Disruption Fund had another strong month, rising 5.5% in Australian dollars. Performance was driven by stocks such as Salesforce, which rose 35% over the month, Afterpay being up 33%, and Zoom rising 24%. We continue to see plenty of upside on the trend towards technological disruption of the workforce.

The Evans & Partners Global Flagship Fund rose 1.9%, underperforming the MSCI World Index. While this was disappointing, the underperformance was predominantly driven by our cautious positioning, which we think will benefit investors over the long-run. We were also impacted by underperformance of pharmaceutical stocks that should reverse as vaccines are considered for approval in coming months.

The Evans & Partners Asia Fund rose 0.7% compared to 0.1% for the Asian benchmark MSCI Asia ex-Japan. There was strong outperformance from stocks such as global industrial knitting leader Shenzhou International (+31%), but also underperformance from stocks such as leading semiconductor equipment supplier ASM Pacific, which fell 7%. We continue to see strong growth opportunities in Asian stock markets and in our opinion expect this Fund to do well in coming years.



Ted Alexander
Head of Investments



INVESTMENT OBJECTIVE

To provide investors with capital growth and attractive risk-adjusted returns over the long-term through exposure to a portfolio of global listed equities.

PORTFOLIO UPDATE

The MSCI World Index rose 3.2% in August as bullish sentiment around government stimulus and prospects of a COVID-19 vaccine continued. Quarterly results, although down, were better than expected. Multiple indices around the world closed at record highs with the Information Technology sector and the NASDAQ Index being standouts.

The Evans & Partners Global Flagship Fund (Fund) underperformed the market in what was again a strong month for equities, particularly in local currency terms. Top performers were Apple (+17.7%), as it announced a stock split and enthusiasm grew around demand for 5G iPhones; Alphabet (+5.9%), as news filtered out suggesting that the U.S. Department of Justice was not yet ready to file an antitrust lawsuit; and Facebook (+11.8%), which announced new in-app shopping functionality, that could help it participate in the online retail space.

Detractors from performance included Unilever (-4.3%), as the Netherlands proposed a new departure tax that would derail its plan to change its Anglo-Dutch structure; Orsted (-4.0%) with results missing estimates; and Aon (-5.8%) due to bearish sentiment around the financial sector and broker downgrades. Additionally, the US dollar depreciated 3.2%.

PORTFOLIO MANAGERS



Ted Alexander Portfolio Manager
Jumana Nahhas Assistant Portfolio Manager
Kunal Valia Assistant Portfolio Manager

NTA per unit

\$1.58

Unit price (EGF)

\$1.51

Gross assets

\$155.8 MILLION

12-month distribution yield (target: 4%)

10.0%

Annualised performance since inception (6 July 2018)¹

10.2%

Units on issue: 98,742,192

FUND PERFORMANCE¹

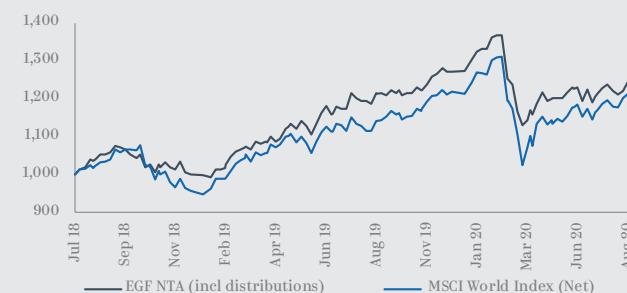
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	1.9%	0.6%	-1.5%	1.6%	7.1%	-	10.2%
MSCI World Index (Net, AUD)	3.2%	3.1%	1.7%	6.3%	6.7%	-	9.4%
Excess Return	-1.3%	-2.6%	-3.2%	-4.7%	0.4%	-	0.8%

Note: Numbers may not sum due to rounding.

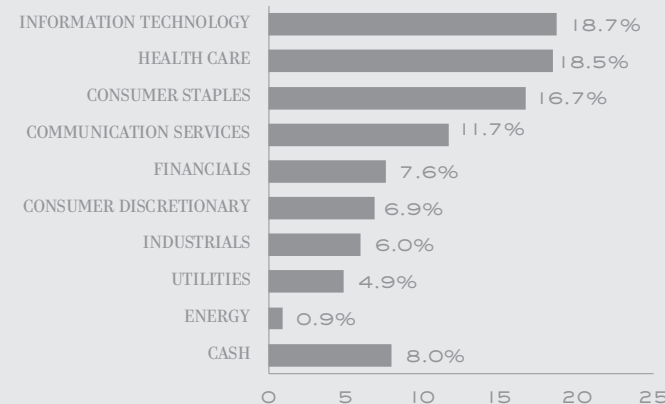
TOP 10 PORTFOLIO HOLDINGS

Alphabet Inc	Merck & Co Inc
Aon PLC	Microsoft Corp
Apple Inc	Novartis AG
Coca-Cola	Orsted A/S
Facebook Inc	Unilever NV

PERFORMANCE CHART¹

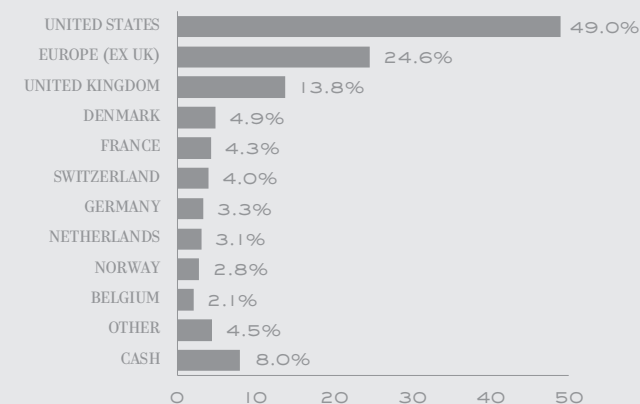


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 August 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 6 July 2018. Chart data range: 6 July 2018 to 31 August 2020. Initial index value 1,000. Index Source: Bloomberg.



INVESTMENT OBJECTIVE

To provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

PORTFOLIO UPDATE

The Evans & Partners Global Disruption Fund (Fund) returned 5.5% in AUD terms (9.0% in USD), ahead of the broader MSCI AC World Index (+2.6%). Best performing holdings were Salesforce (+35.3%), Alibaba (+10.6%), Amazon (+5.5%) and Zoom (+23.8%). Weaker contributors included TSMC (-2.9%), Illumina (-9.6%), and Tencent (-3.9%).

Salesforce delivered a strong June quarter result (revenue +29%, operating income +82%) and raised FY21 guidance as customers reaccelerated digital transformation plans. News that it would be included in the Dow Jones Industrial Average was a positive too.

Alibaba also reported a strong quarterly result (revenue +34%, EPS +18%), fully recovering from the impact of COVID-19. The share price was also supported by news of its inclusion in the Hang Seng Index and that its fintech affiliate, Ant Group, had filed for IPO.

Zoom Video delivered another blowout quarterly result (revenue +355%, customers +458%), again raising FY21 guidance as it continues to benefit from work from home and remote learning trends.

Tencent's result beat market expectations (revenue +29%, EPS +36%) driven by mobile gaming, social advertising and fintech growth. However, this was overshadowed by the US Government's executive order proposing to ban WeChat in the US.

PORTFOLIO MANAGER



Raymond Tong
Portfolio Manager

NTA per unit	Unit price (EGD)	Gross assets	12-month distribution yield	Annualised performance since inception (25 July 2017) ¹
\$2.97	\$3.00	\$294.5 MILLION	5.0%	26.2%

Units on issue: 99,111,763

FUND PERFORMANCE¹

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	5.5%	15.5%	25.0%	42.2%	19.2%	26.7%	26.2%
MSCI AC World Index (Net, AUD)	2.6%	3.6%	1.2%	6.1%	6.3%	11.6%	11.4%
Excess return	2.9%	11.8%	23.8%	36.1%	12.9%	15.1%	14.8%

Note: Numbers may not sum due to rounding.

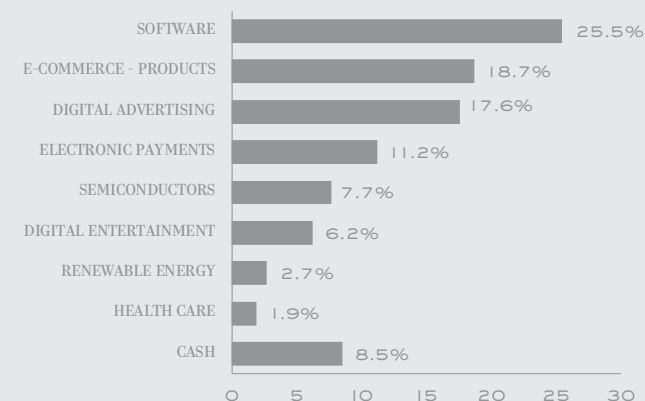
TOP 10 PORTFOLIO HOLDINGS

Adobe	Microsoft Corp
Alibaba	PayPal Holdings Inc
Alphabet Inc	Salesforce.com Inc
Amazon.com Inc	Tencent Holdings Ltd
Facebook Inc	TSMC

PERFORMANCE CHART¹

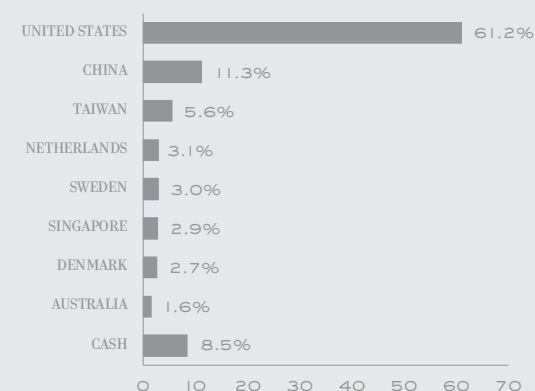


SECTOR EXPOSURE



Source: Investment Manager, internal classification

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 August 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 25 July 2017. Due to the change in the composition of the Fund and of the MSCI ACWI Information Technology Index over the prior 12 months, it is no longer shown as a comparable index. Chart data range: 25 July 2017 to 31 August 2020. Initial index value 1,000. Index Source: Bloomberg.



INVESTMENT OBJECTIVE

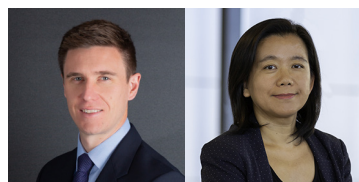
To provide investors with attractive risk-adjusted returns over the long-term by investing in high quality companies in the Asia ex Japan region.

PORTFOLIO UPDATE

The MSCI Asia ex Japan Index (Index) was up 3.0% in local currency terms, though only up 0.1% in Australian dollar terms due to our strengthening currency. On a sector basis, Information Technology (-5.5%) retraced after performing strongly in previous months, while Consumer Discretionary (+10.2%) continued to perform strongly amid further opening of economies around the region. On a country basis, Malaysia (-6.2%) and Thailand (-5.1%) were the worst markets whilst Hong Kong (+4.3%) and China (+2.2%) rebounded.

The Evans & Partners Asia Fund (Fund) returned 0.7% in NTA terms, outperforming the Index. The Fund's overweight positions in Techtronic Industries (+17.5%) and Shenzhou International (+30.7%) contributed strongly, after they reported half year results ahead of market consensus, with the latter also guiding a more positive outlook for the second half of the year. The largest detractor from Fund performance was Thai convenience store operator CP All (-9.5%), as lockdowns and a lack of tourism impacted consumption in Thailand. ENN Energy (-11.4%) also detracted from performance as connection fee and gas sales revenues declined in the first half of the year, impacted by COVID-19.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager

Ying Luo
Assistant
Portfolio Manager

NTA per unit

\$1.34

Unit price (EAF)

\$1.28

Gross assets

\$119.3 MILLION

12-month distribution
yield (target: 4%)

4.0%

Annualised performance
since inception (14 May 2018)¹
6.2%

Units on issue: 88,861,382

FUND PERFORMANCE¹

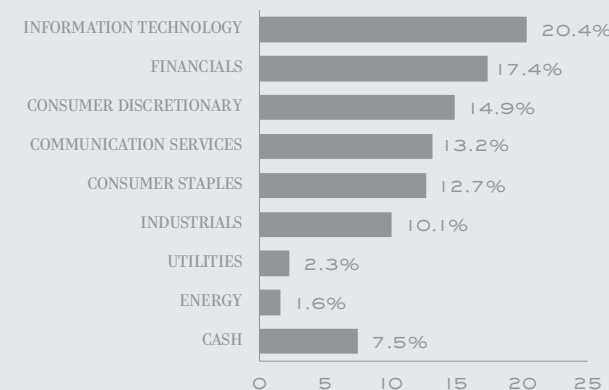
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	0.7%	8.2%	-0.1%	8.2%	7.8%	-	6.2%
MSCI Asia ex Japan Index (Net, AUD)	0.1%	9.4%	1.3%	10.7%	5.3%	-	3.3%
Excess Return	0.5%	-1.2%	-1.3%	-2.5%	2.6%	-	2.9%

Note: Numbers may not sum due to rounding.

TOP 10 PORTFOLIO HOLDINGS

Alibaba Group	Techtronic Industries
CP ALL PCL	Tencent Holdings
HCL Technologies	TSMC
Kweichow Moutai Co Ltd	Uni-President Enterprises
Ping An Insurance Group	United Overseas Bank Ltd

SECTOR EXPOSURE

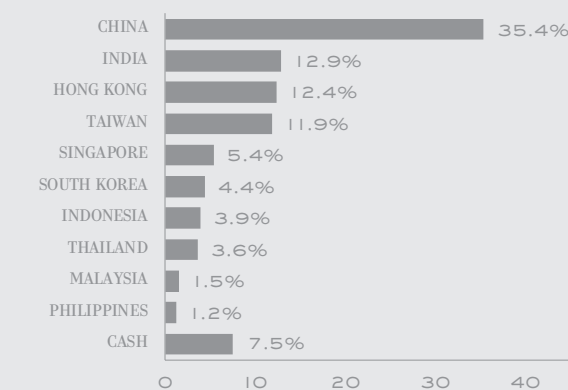


Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 August 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 14 May 2018. Chart data range: 14 May 2018 to 31 August 2020. Initial index value 1,000. Index Source: Bloomberg.

INVESTMENT OBJECTIVE

To provide investors with capital growth, attractive risk-adjusted returns, and stable distributions over the long term through exposure to quality Australian equities that are well positioned to deliver sustainable earnings growth and returns on capital.

PORTFOLIO UPDATE

The Evans & Partners Australian Flagship Fund (Fund) increased 3.6% in August, outperforming the S&P/ASX 200 Accumulation Index (Index) by 0.7%. The Index consolidated gains made over the COVID-19 impacted August reporting season. Most companies had either withdrawn or revised down guidance and as such outlook comments were of most interest. Given the trajectory out of the pandemic is unknown, quantitative guidance was largely absent, with management generally preferring to wait until the October AGM season.

Information Technology was the strongest sector in August, led by Afterpay with a strong sales trajectory and better than expected loss rates. Consumer Discretionary followed, with many retailers capitalising on government assistance on wages and rent relief. Utilities and Communication Services were down, due largely to weak results from their largest stocks, AGL and Telstra respectively.

Afterpay (+33.4%) was the Fund's strongest performer as stimulus in the economy continued to benefit online retail. Stockland (+24.1%) is still collecting rents at a rate above many competitors whilst demand in residential communities is improving. Sydney Airport (+12.2%) completed an equity raising, reducing perceived balance sheet risks. Telstra (-11.4%) and Seek (-4.6%) were down following soft results and weak outlook comments causing downgrades.

PORTFOLIO MANAGERS



Ben Chan
Portfolio Manager

Adam Alexander
Portfolio Manager

NTA per unit

\$1.55

Unit price (EFF)

\$1.49

Gross assets

\$22.6 MILLION

12-month distribution yield (target: 5%)

5.5%

Annualised performance since inception (21 June 2018)¹

4.3%

Units on issue: 14,586,954

FUND PERFORMANCE¹

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	3.6%	7.9%	-4.1%	-2.6%	2.4%	–	4.3%
S&P/ASX 200 Accumulation Index	2.8%	6.0%	-4.5%	-5.1%	1.7%	–	2.7%
Excess Return	0.7%	1.9%	0.4%	2.5%	0.7%	–	1.6%

Note: Numbers may not sum due to rounding.

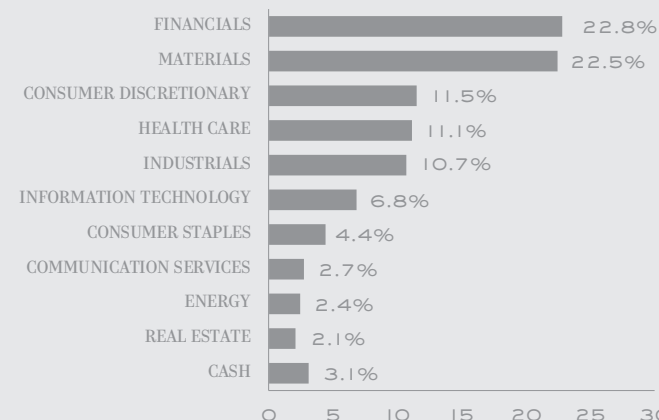
TOP 10 HOLDINGS

ANZ Banking Group	Macquarie Group Limited
BHP Group Ltd	National Australia Bank Ltd
Commonwealth Bank of Australia	Transurban Group
CSL Ltd	Wesfarmers Ltd
James Hardie Industries Plc	Woolworths Group

PERFORMANCE CHART¹



SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 31 August 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 21 June 2018. Chart data range: 21 June 2018 to 31 August 2020. Initial index value 1,000. Index Source: Bloomberg.



INVESTMENT OBJECTIVE

To achieve long-term capital appreciation, while reducing risk and preserving capital, through investments in securities within the ASX 100 Index that exhibit relatively high levels of governance, social and environmental performance.

PORTFOLIO UPDATE

The Australian Governance & Ethical Index Fund (Fund) returned 2.1% for the month of August, behind the S&P/ASX 100 Accumulation Index (+2.5%). Positive contributors included overweight positions in copper and gold miner Oz Minerals (+7.3%) and Cleanaway Waste Management (+23.4%), while the exclusion of Resmed (-13.7%) and Treasury Wines (-14.4%) also benefited performance. Negative contributors included overweight positions in Newcrest (-8.5%) and Telstra (-11.4%) while the exclusion of buy now, pay later group Afterpay (+33.4%) also impacted performance.

With indigenous rights continuing to be a focus point for investors, the Australasian Centre for Corporate Responsibility (ACCR) has filed a shareholder resolution at BHP's upcoming AGM requesting the company adopt a moratorium on undertaking activities, remove gag clauses under participation agreements, and disclose lobbying on cultural heritage issues. The ACCR's shareholder resolution, if passed, raises the prospect of delays and land agreement renegotiations, most notably at the new iron ore development at South Flank. It has become clear that social licence to operate is a core component of long-term value creation, and as has been seen in multiple recent examples (e.g. Juukan Gorge), erosion due to a lack of consultation and consideration of a broad array of stakeholders can be swift.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit	Unit price (AGM)	Gross assets	12-month distribution yield (target: 5%)	Annualised performance since inception (10 July 2018) ¹
\$1.76	\$1.72	\$26.8 MILLION	5.4%	3.2%

Units on issue: 15,194,574

FUND PERFORMANCE¹

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	2.1%	5.9%	-6.1%	-5.7%	2.3%	-	3.2%
S&P/ASX 100 Accumulation Index	2.5%	6.1%	-5.2%	-5.7%	1.9%	-	2.4%
Excess Return	-0.4%	-0.2%	-0.9%	0.0%	0.3%	-	0.8%

Note: Numbers may not sum due to rounding.

LARGEST ACTIVE POSITIONS

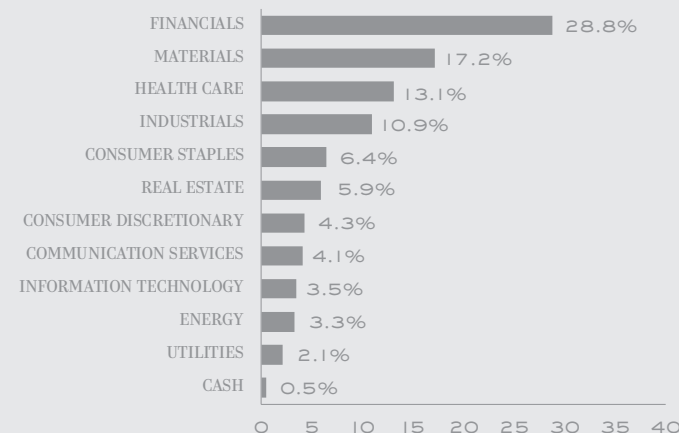
TOP 10 OVERWEIGHT²

ANZ Banking Group Ltd	Oz Minerals Ltd
CSL Limited	Qube Holdings Ltd
Macquarie Group Ltd	Sydney Airport
National Australia Bank Ltd	Telstra Corporation Ltd
Newcrest Mining Ltd	Virgin Money UK Plc

TOP 10 UNDERWEIGHT²

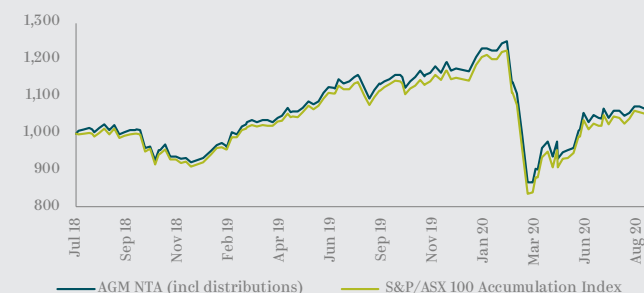
Afterpay Ltd	Goodman Group
AGL Energy Ltd	Origin Energy Ltd
Amcor Plc	Sonic Healthcare Ltd
Aristocrat Leisure	South32 Ltd
BHP Group Ltd	Westpac Banking Corporation

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



Notes: Data at 31 August 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. 2. Overweight and underweight positions are relative to S&P/ASX 100 Index weights. Inception 10 July 2018. Chart data range: 10 July 2018 to 31 August 2020. Initial index value 1,000. Index Source: Bloomberg.





ABOUT WALSH & COMPANY

Walsh & Company, part of the Evans Dixon Group, is a multibillion-dollar global funds management firm founded in 2007, with assets under management across global equities, residential and commercial property, private equity, fixed income, and sustainable and social investments. It provides access to unique investment strategies not readily accessible to investors and focuses on building high-quality, diversified portfolios.

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IMPORTANT INFORMATION

This report has been authorised by Walsh & Company Asset Management Pty Limited (Walsh AM) (ACN 159 902 708, AFSL 450 257) as investment manager for the Australian Governance & Ethical Index Fund (AGM) (ARSN 625 826 646), together with Evans and Partners Investment Management Pty Limited (EaP IM) (ACN 619 080 045, CAR No. 1255264), as investment manager for the Evans & Partners Asia Fund (EAF) (ARSN 624 216 404), Evans & Partners Australian Flagship Fund (EFF) (ARSN 625 303 068), Evans & Partners Global Flagship Fund (EGF) (ARSN 158 717 072) and Evans & Partners Global Disruption Fund (EGD) (ARSN 619 350 042). EaP IM and Walsh AM are together referred to as 'Investment Manager'. AGM, EAF, EFF, EGF and EGD are together referred to as 'Funds'.

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