

GLOBAL EQUITIES – OCTOBER 2020 RESULTS

Global stock markets rose through the start of October, but then reversed these gains as the US presidential election approached. Although it may take some time to be finalised, it appears as though we will have a Biden presidency, with a Republican Senate. This is a strong outcome for stock markets, although there are clear negatives and positives. Companies have finished reporting their profits for the period July to September, which reflected an improving economic scenario and some enthusiasm for the coming year, offset by the prospect of further lockdowns.

Stock markets rose on Biden's win in the presidential election. This wasn't due to stock markets being against Trump, but due to the lower margin of victory than expected for the Democrats. The Democrats currently appear to fall short of 50 votes for control of the Senate, and well short of the 60 votes required to pass major legislation. If the Democrats want to pass any substantial domestic legislation, they'll need Republican co-operation in the Senate, which means no massive structural changes that might impact corporate profits. This benefits Pharmaceutical stocks, where there was fear that Democrats might reduce medication prices. We're also likely to see less friction over trade with China, which is good for trading stocks. For the whole stock market, we expect a Democratic COVID-19 stimulus package to help keep asset prices high and consumers cashed up. It won't solve the recession, but it should help investors. On the other hand, with record COVID-19 cases in the US, we'd expect a Democratic government to push more severe lockdown policies, which would be negative for the economy and stocks in the short-term. I think the overall outcome for markets is quite balanced, but it will be positive when the result is confirmed and risks subside.

We're just finishing earnings season for the third quarter. Companies have reported improving financial results for the period July to September. Revenues were down around 5% compared to 2019, and profits were down by approximately 10%. Clearly, negative isn't good, but results are improving compared to the prior three months which were greatly

impacted by COVID-19. Companies have consistently said that the economy improved substantially over the three-month period, but that they were also concerned by the second wave, and lockdowns in Europe. What we've been looking for is management reducing costs in the face of smaller revenues, and companies have generally been effective in reducing spending to protect profits.

Turning to economic data released in October, US GDP was a bit better than expected, but still -3%. New job creation in the US was disappointing in September with 300,000 net jobs being created over the month, where we'd like to see 500,000 or more. Disposable incomes were healthy through the month and spending was up.

In October, the Evans & Partners Global Flagship Fund (EGF) fell 1.8% compared to the market which was down 1%. We have a slightly higher exposure to Europe, which underperformed as countries went into lockdown. Our Evans & Partners Asia Fund (EAF) was up 4.3% with markets rising strongly, up 5%. The Evans & Partners Global Disruption Fund (EGD) continued its strong run, rising 2% in a month where the market and Technology sector both fell. The outperformance was driven by strong performance from Chinese internet stock Tencent, Danish wind farm developer Orsted, and internet search leader Alphabet.

Overall, we continue to be cautious of downside risks to the stock market due to the recession, but expect asset prices to continue to be underpinned by generous government assistance. Many stocks are attractively priced and we continue to view global stocks as an attractive investment market. We view our funds as well-positioned for 2021, as we pass the US presidential election, and come through COVID-19 lockdowns.



A handwritten signature in dark ink, appearing to read 'T Alexander', written in a fluid, cursive style.

Ted Alexander
Head of Investments



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 5.0% in AUD terms in October. The Philippines (+9.9%) was the best performing country as mobility restrictions were lifted, followed by Indonesia (+8.6%), which saw COVID-19 cases declining and lockdowns eased. Singapore (+2.2%) and Thailand (-0.9%) were the worst performing markets, the latter impacted by pro-democracy protests. On a sector basis, Communication Services (+10.0%) and Consumer Discretionary (+7.4%) continued to lead the recovery, while Energy (-3.1%) and Real Estate (-1.2%) lagged due to weak demand.

The Evans & Partners Asia Fund (Fund) returned 4.3% in NTA terms, 0.8% behind the Index. The Fund's overweight position in ENN Energy contributed most to performance, with the stock up 18.5% due to a better than expected third quarter update and improved guidance. HDFC Bank (10.6%), one of the Fund's key holdings in India, also contributed to performance as it reported results that were better than expected. On the other hand, the Fund's overweight position in CP All (-7.6%) detracted from performance due to negative sentiment arising from the protests in Thailand, alongside its struggling tourist reliant economy.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager

Ying Luo
Assistant
Portfolio Manager

NTA per unit	Unit price (EAF)	Gross assets
\$1.41	\$1.31	\$119.3 MILLION

Units on issue: 84,412,019

12-month distribution yield (target: 4%)	Annualised performance since inception (14 May 2018) ¹
3.7%	8.3%

FUND PERFORMANCE¹

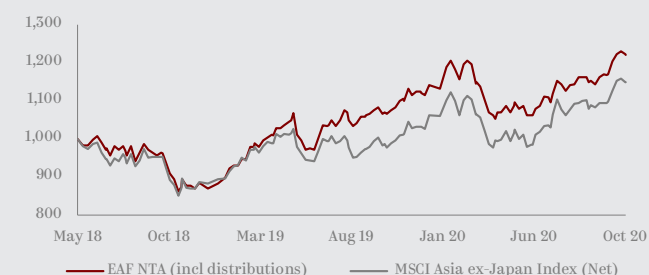
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	4.3%	6.7%	11.9%	10.2%	18.0%	-	8.3%
MSCI Asia ex Japan Index (Net, AUD)	5.0%	6.7%	13.2%	13.7%	15.0%	-	5.8%
Excess Return	-0.8%	-0.1%	-1.3%	-3.5%	3.0%	-	2.5%

Note: Numbers may not sum due to rounding.

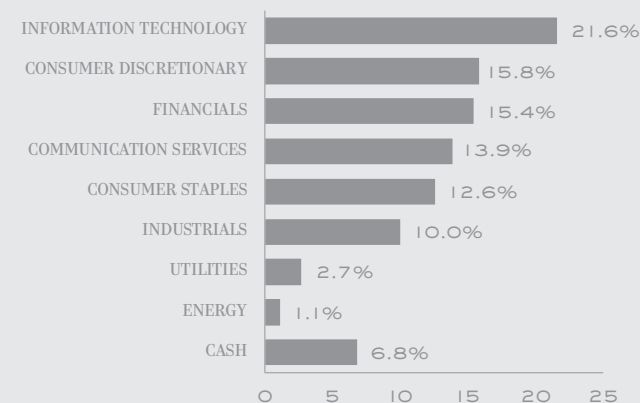
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART¹

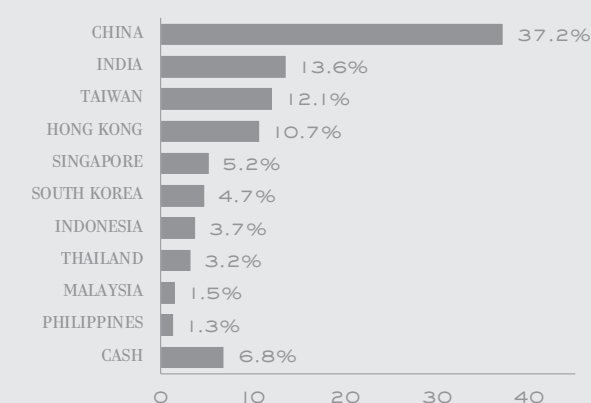


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 October 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 October 2020. Initial index value 1,000. Index Source: Bloomberg.

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 declined by 1.0% in AUD terms during October due to fears around a second wave of COVID-19, which is especially affecting Europe and the US. Several European countries reimposed lockdowns, restricting people's mobility and impacting their respective economies. The US Congress remained in a deadlock along partisan lines over a new COVID-19 stimulus package. Investors were cautious about the US presidential election with risk of corporate tax rate increases under a Biden administration. Increased volatility was also seen in the market as companies reported their quarterly earnings.

The Evans & Partners Global Flagship Fund (Fund) underperformed the market by 0.9%, due to the Fund's increased exposure to European domiciled companies and overweight position in defensive sectors. Orsted (+17.6%), Alphabet (+12.6%) and Facebook (+2.6%) were the best performing holdings. Orsted reported solid earnings and there was increased market enthusiasm around the shift towards renewable and offshore wind energy. Alphabet and Facebook reported quarterly earnings that beat expectations as the advertising industry recovered. Detractors from performance included holdings in Danone (-12.9%), Novartis (-8.2%) and Aon (-8.6%), as their quarterly earnings missed expectations.

PORTFOLIO MANAGERS



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

NTA per unit \$1.54	Unit price (EGF) \$1.55	Gross assets \$142.7 MILLION	12-month distribution yield (target: 4%) 10.2%	Annualised performance since inception (6 July 2018) ¹ 8.4%
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Units on issue: 92,142,502

FUND PERFORMANCE¹

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	-1.8%	-0.3%	0.6%	-1.4%	8.4%	-	8.4%
MSCI World Index (Net, AUD)	-1.0%	1.6%	4.6%	2.4%	8.9%	-	8.0%
Excess Return	-0.9%	-2.0%	-4.1%	-3.8%	-0.5%	-	0.4%

Note: Numbers may not sum due to rounding.

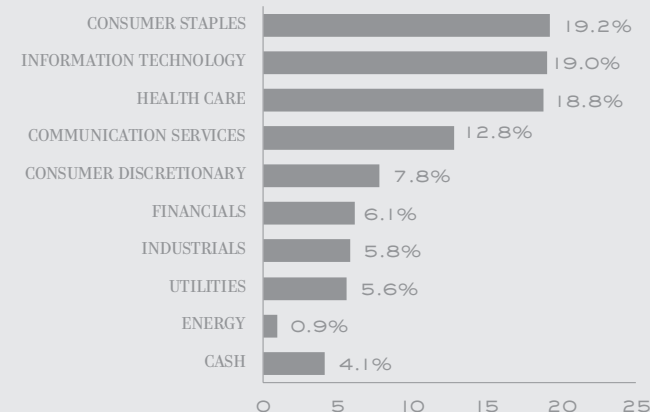
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART¹

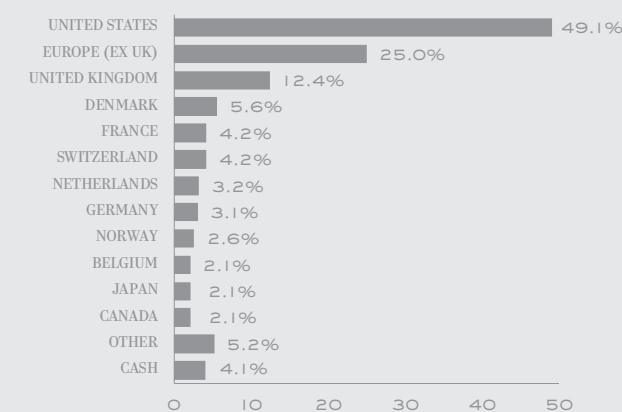


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 October 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 October 2020. Initial index value 1,000. Index Source: Bloomberg.



EVANS & PARTNERS
**GLOBAL
DISRUPTION
FUND**

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 2.0% in AUD terms (+0.1% in USD), compared to the broader MSCI AC World Index which was down 0.3%. Following initial strength, markets weakened ahead of the US election and hopes of a pre-election stimulus faded. COVID-19 cases worsened globally, with further lockdowns imposed in Europe.

The Fund's best performing holdings were Alphabet (+12.4%), Tencent (+17.7%) and Orsted (+17.4%).

Alphabet's September quarterly results beat expectations (sales +14%, EPS +62%) as digital advertising revenues recovered and cloud computing growth reaccelerated. Positively, management stated that it will provide greater financial disclosure on its Cloud business next quarter.

Orsted reported solid results, ahead of market expectations, and reiterated FY20 guidance. Showcasing the growing shift to renewable energy, Orsted now expects a total of 25-30GW of global offshore wind auctions in the next 15 months, more than double what it reported in August.

Key holdings Amazon and Microsoft also reported strong September quarter results highlighted by continued strong demand for ecommerce, cloud computing and software products.

Weaker contributors included Adobe (-7.1%), Salesforce (-5.8%), and Mastercard (-12.9%). Mastercard's September quarter results missed expectations on weak cross-border volumes.

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
\$3.00	\$2.90	\$295.0 MILLION	5.0%	25.2%

Units on issue: 97,961,149

FUND PERFORMANCE¹

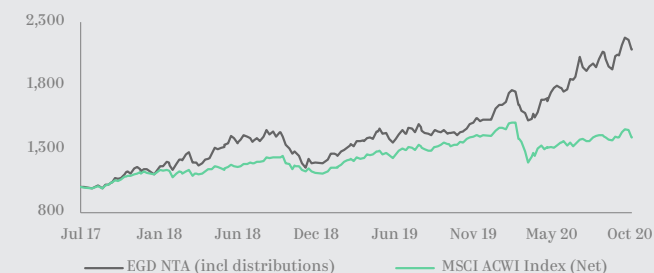
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	2.0%	6.8%	22.4%	45.0%	27.5%	23.2%	25.2%
MSCI AC World Index (Net, AUD)	-0.3%	2.0%	5.6%	2.9%	9.1%	8.6%	10.6%
Excess return	2.3%	4.8%	16.8%	42.1%	18.4%	14.5%	14.6%

Note: Numbers may not sum due to rounding.

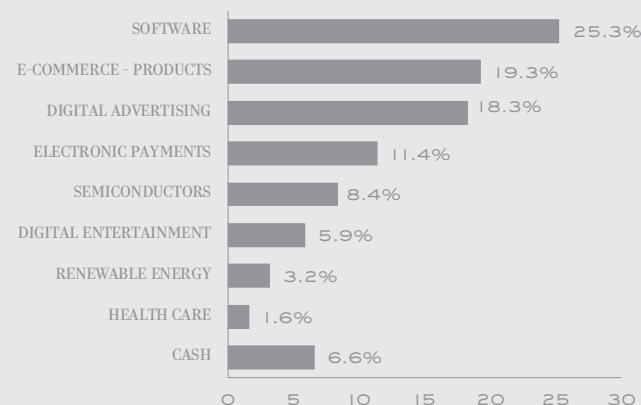
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART¹

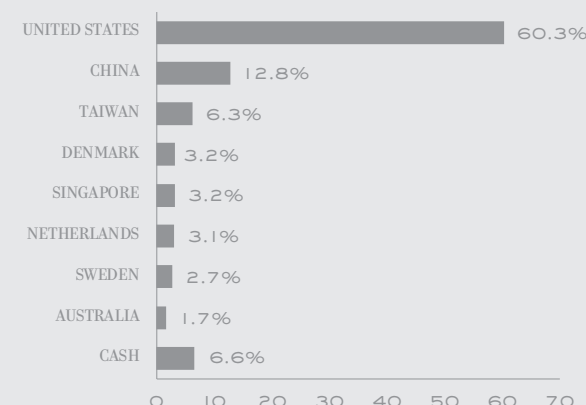


SECTOR EXPOSURE



Source: Investment Manager, internal classification

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 31 October 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 October 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), 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 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'. EAF, EGF and EGD are together referred to as 'Funds'.

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