GLOBAL EQUITIES – SEPTEMBER 2020 RESULTS

Global stock markets had a small reversal in September, the first negative month since March – down 3.4% in USD terms, but only down 0.5% in AUD terms due to the depreciation in the AUD. The Evans & Partners Global Flagship Fund (EGF) and Evans & Partners Asia Fund (EAF) marginally outperformed (+0.1% and +0.2% respectively), and the Evans & Partners Global Disruption Fund (EGD) marginally underperformed (-0.5%) the broader market as technology related stocks were volatile.

The stock market has been publicly subsidised this year, with a wealth transfer from future generations to the current, who are using their children's income to pay off credit cards. For the market to continue to rise, the US government needs to continue to borrow on future revenues and hand this over. The Democrats and Republicans couldn't come to an agreement in September over how much more money to pump into the financial system, and now it appears there won't be a new package before the US elections, which has caused markets to fall in September.

In a recession, lower economic activity leads to redundancies, lower wages in total, and less spending, which hits the economy again. The current recession is particularly severe, with US economic activity quickly falling 9% vs last year, the worst fall since World War II. Employment fell 15% and wages fell 10%. Broad unemployment rose to 23% of the workforce and at the peak over 32 million Americans were on unemployment and pandemic benefits. In the GFC the peak was only 12 million on benefits. Wages earned by Americans fell 10%, or over $1 trillion annualised. This is all far worse than we've seen since World War II. The convention is to report US economic data as annualised, so wages falling by $1 trillion means they fell $100 billion in the month of April.

Although wages in the US fell by $1 trillion annualised, disposable income rose. How is that possible? Income includes government subsidies, which rose by $3.3 trillion annualised in April for a net disposable income rise over $2 trillion. So consumers didn't have a recession, they were wealthier than before!

Did everyone spend this extra $2 trillion in income? Absolutely not. Consumption fell by $2.7 trillion, and consumer spending is still lower today than before the recession. Consumers weren't even able to spend on restaurants, gyms, holidays, and healthcare due to closures. And they were cautious on other goods and services spending, although this has now bounced back. Instead of spending more, or even the same, consumers saved $4 trillion paying down credit card debt, and building their cash holding. They didn't pay off mortgages, with over 4 million Americans pausing debt repayments under COVID-19 allowances, and mortgage debts rising. So, all this cash pumped into consumers didn't make its way into the economy at all, it's just sitting on banks' balance sheets. I mentioned some months ago that the velocity of money was likely to fall hard over the year, and this stimulus money has no velocity sitting in the bank.

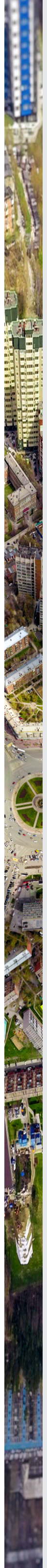
What matters for the economy is not subsidised income, but employment. Net non-farm employment gains in the US for the month of September were 660,000, but this is nowhere near high enough, with broad unemployment still at 12.8%. The problem is that over 3 million jobs were lost in September, offsetting 4 million Americans returning to work after shut-down. At this rate, unemployment will not return to normal until the start of 2022, which is a long recession.

At this point, the Democrats are favoured to win the upcoming Presidential election, and then move to pass a $3 trillion dollar stimulus package. In my view, the packages so far have been ineffective in stimulating the economy, but they have helped the stock market. While everyone has excess savings, there's no real impetus for stock markets to be impacted. Another big package will keep stock markets around current levels, but we won't see strong upside until corporate profits return, driven by a strong consumer, which requires strong employment. I'm dubious that government packages will succeed on this measure.

Overall, we have been pleased to see global markets remain at strong levels in recent months, and expect markets to finish the year around current levels despite a weak economy. But we also see many risks to the market from US politics, and a weak economic recovery. There may not be another stimulus package passed, and at some point there will be opposition to more debt creation. So our funds, EGF, EAF and EGD are cautiously positioned, and our first consideration is to ensure we don't lose our investors' money in any market downturn. In the long-term, we continue to view global stocks as the most attractive investment class, and see strong opportunities in under-priced companies, sectors, and geographic regions.

Ted Alexander
Head of Investments

EVANS & PARTNERS GLOBALFLAGSHIP FUND



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.

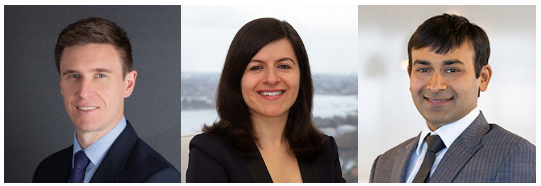
PORTFOLIO UPDATE

The MSCI World Index (Index) declined by 0.5% in AUD terms in September. Weakness was mainly due to profit-taking, predominantly in Information Technology (IT) stocks, after a record run in August. Investors were also cautious as a second wave of COVID-19 infections in Europe led to localised lockdowns. In the US, Congress was stuck in a deadlock along partisan lines over a new COVID-19 stimulus package, whilst national polls were showing that Biden was in the lead for the Presidential election.

The Evans & Partners Global Flagship Fund (Fund) (-0.4%) marginally outperformed the Index due to the Fund's overweight position in defensive sectors and cash and underweight position in Financials. The best performing stocks were Unilever (+7.3%) and Aon (+6.2%), which rebounded from the sell-off in August, and Dollar General (+6.9%), which rose to all-time highs on the back of strong financial results and broker upgrades.

Detractors from Fund performance included Alphabet (-7,4%), Facebook (-8.0%) and Apple (-7.6%). In additional to the profit-taking seen in IT stocks throughout the month, the increased risk of antitrust lawsuits weighed on the stock prices of Alphabet and Facebook.

PORTFOLIO MANAGERS



Ted Alexander
Portfolio Manager

Jumana Nahhas
Assistant Portfolio Manager

Kunal Valia
Assistant Portfolio Manager

NTA per unit	Unit price (EGF)	Gross assets	12-month distribution yield (target: 4%)	Annualised performance since inception (6 July 2018)[1]
$1.57	$1.49	$151.3 MILLION	10.0%	9.6%

Units on issue: 95,831,811

FUND PERFORMANCE[1]

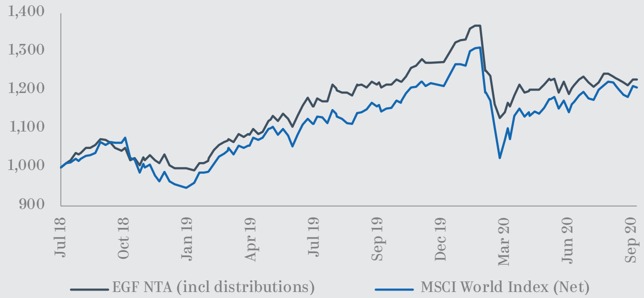
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	-0.4%	1.9%	5.1%	0.5%	8.5%	-	9.6%
MSCI World Index (Net, AUD)	-0.5%	3.7%	9.6%	3.9%	6.5%	-	8.8%
Excess Return	0.1%	-1.8%	-4.5%	-3.4%	2.0%	-	0.8%

Note: Numbers may not sum due to rounding.

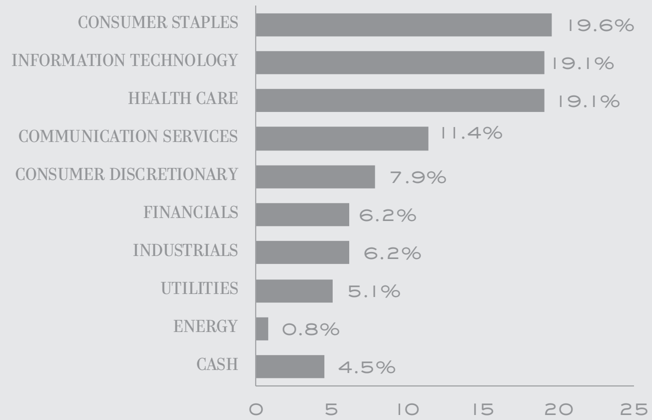
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART[1]

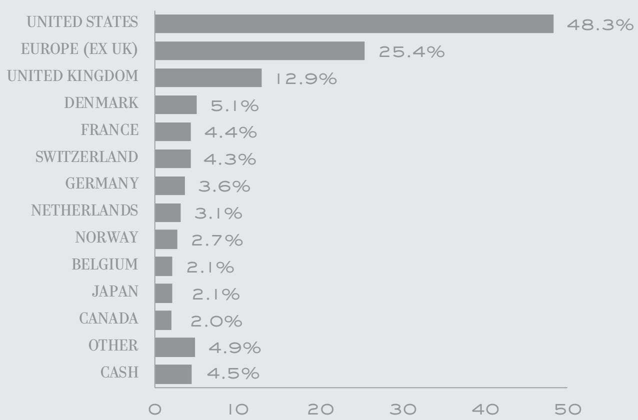


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 30 September 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 30 September 2020. Initial index value 1,000. Index Source: Bloomberg.

W & Co

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 MSCI AC World Index was down 0.3% in AUD terms for September, with volatility returning to markets amid uncertainty around further US fiscal stimulus and worsening COVID-19 trends across Europe. Technology related companies in particular, were sold off (-5.1%) following strong gains year-to-date (+25.4%), as measured by the NASDAQ Index in USD terms.

The Evans & Partners Global Disruption Fund (Fund) returned -0.7% in AUD terms (-3.6% in USD terms). Zoom (+49.0%) was the strongest contributor, with momentum continuing following its strong July quarter result, with news emerging that the company is investing in advanced messaging capability alongside its core video product.

At its Investor Day, Alibaba (+5.6%) indicated that it expects its cloud business to reach profitability this year and its logistics business to be free cash flow positive. Trends in the core commerce business also remain strong. TSMC (+5.9%) gained as Apple announced the release of its new A14 chip on its latest iPad. This is the industry's first commercial chip to be manufactured on TSMC's next generation 5nm process node.

Weaker contributors included Facebook (-8.0%), Alphabet (-7.3%), and Amazon (-6.0%), impacted by the broader sell off and rising US anti-trust concerns.

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]
$2.94	$2.78	$292.1 MILLION	5.1%	25.2%

Units on issue: 98,810,811

FUND PERFORMANCE[1]

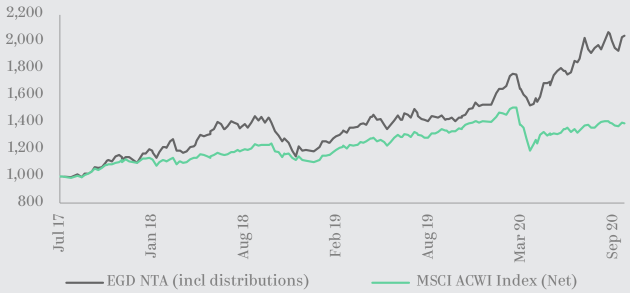
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	-0.7%	9.2%	29.4%	43.2%	19.5%	25.3%	25.2%
MSCI AC World Index (Net, AUD)	-0.3%	3.9%	9.7%	3.9%	6.3%	10.4%	11.0%
Excess return	-0.5%	5.3%	19.7%	39.3%	13.2%	15.0%	14.2%

Note: Numbers may not sum due to rounding.

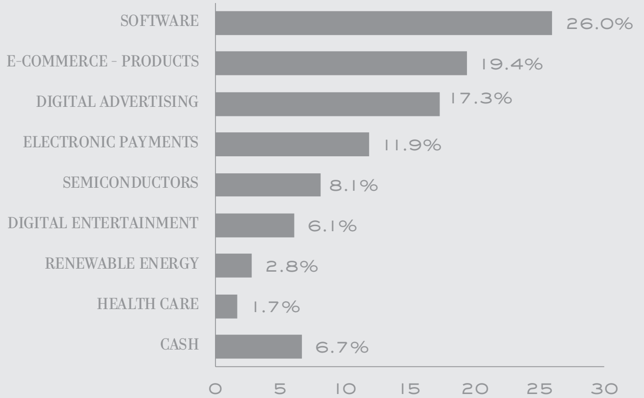
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART[1]

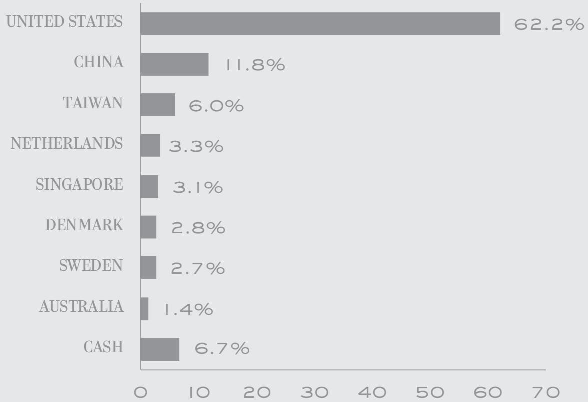


SECTOR EXPOSURE



Source: Investment Manager, internal classification

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 30 September 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 30 September 2020. Initial index value 1,000. Index Source: Bloomberg.

EVANS & PARTNERS
Asia Fund

NTA per unit	Unit price (EAF)	Gross assets	12-month distribution yield (target: 4%)	Annualised performance since inception (14 May 2018)[1]
$1.36	$1.28	$116.9 MILLION	3.9%	6.7%

Units on issue: 85,352,019

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 1.5% in AUD terms, benefiting from a depreciating Australian dollar. Southeast Asian markets underperformed, with Indonesia (-9.9%) being the worst performing market as the resurgence of COVID-19 cases in the country forced a secondary lockdown in the greater Jakarta area. South Korea (+6.8%) and Taiwan (+5.4%) were the best performing markets with Information Technology (IT) stocks continuing to thrive amid the pandemic. Accordingly, IT (+7.7%) was the best performing sector, with Consumer Discretionary (+3.8%) also outperforming on the back of recovering consumption.

The Evans & Partners Asia Fund (Fund) outperformed the Index, returning 1.7%. Overweight position, HCL Technologies (+20.4%), one of the largest global IT services providers in India, contributed most to performance as the company provided a stronger than expected mid-quarter update. In addition, the Fund's overweight position in Techtronic Industries (+7.0%) added significantly to performance. Conversely, the Fund's underweight position in Samsung Electronics (+13.7%) and overweight position in Bank Central Asia (-12.5%) detracted from performance, the latter impacted by the secondary lockdown in Indonesia.

PORTFOLIO MANAGERS

Ted Alexander
Portfolio Manager

Ying Luo
Assistant Portfolio Manager

FUND PERFORMANCE[1]

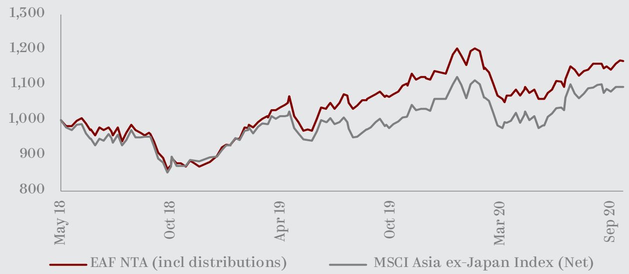
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	1.7%	6.6%	10.9%	9.1%	10.2%	-	6.7%
MSCI Asia ex Japan Index (Net, AUD)	1.5%	6.3%	9.9%	10.9%	7.1%	-	3.9%
Excess Return	0.2%	0.2%	1.1%	-1.8%	3.0%	-	2.8%

Note: Numbers may not sum due to rounding.

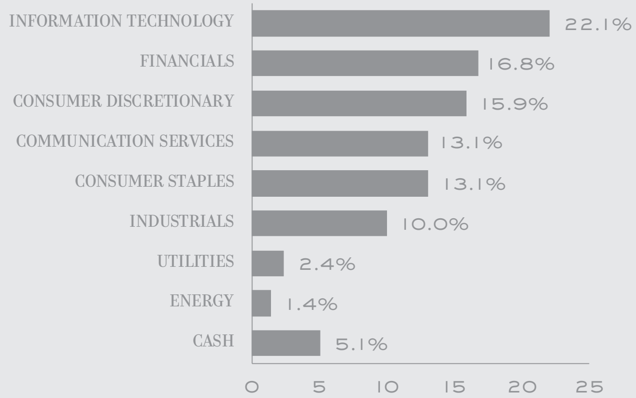
TOP 10 PORTFOLIO HOLDINGS

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

PERFORMANCE CHART[1]

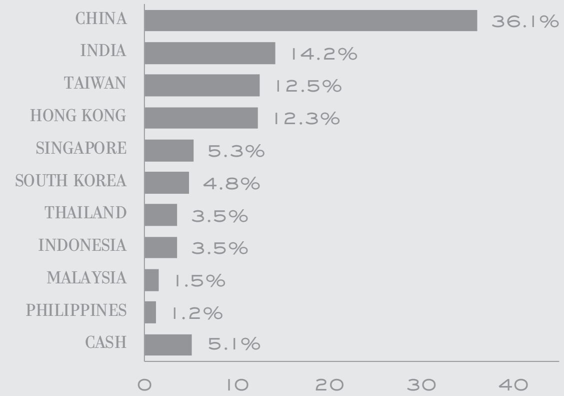


SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 30 September 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 30 September 2020. Initial index value 1,000. Index Source: Bloomberg.

EVANS & PARTNERS
Australian FLAGSHIP FUND

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) declined 2.7% in September, outperforming the S&P/ASX 200 Accumulation Index (Index) by 0.9%.

The market softness was due to growing concerns associated with the emerging second waves of COVID-19 and a lack of news flow from companies between the August reporting season and AGMs beginning in October. Only the Healthcare sector managed to post a modest gain (+0.9%), led by Sonic Healthcare, Cochlear and Ramsay. Energy (-11.1%) suffered as oil prices declined due to rising concerns of increased supply during a period of subdued demand. IT and Consumer Staples also underperformed, seeing some profit taking after a strong August.

James Hardie (+7.5%) and Aristocrat (+5.6%) were the Fund's best performers, benefiting from the gradual reopening of the US economy. Infrastructure stocks Transurban (+4.8%) and Sydney Airport (+2.5%) were also relatively strong. The Fund's only Energy exposure, Beach Energy (-13%) was the worst performer, sold off on oil price uncertainty, while Afterpay (-12.5%) declined after strong gains in August and news of PayPal entering the buy now, pay later space. Afterpay remains up 31% for the September quarter.

PORTFOLIO MANAGERS

Ben Chan
Portfolio Manager

Adam Alexander
Portfolio Manager

NTA per unit	Unit price (EFF)	Gross assets	12-month distribution yield (target: 5%)	Annualised performance since inception (21 June 2018)[1]
$1.51	$1.37	$22.0 MILLION	5.6%	2.9%

Units on issue: 14,586,934

FUND PERFORMANCE[1]

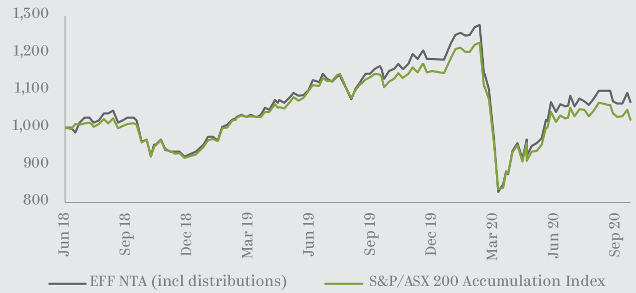
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	-2.7%	0.8%	20.9%	-7.9%	2.0%	_	2.9%
S&P/ASX 200 Accumulation Index	-3.7%	-0.4%	16.0%	-10.2%	0.5%	_	0.9%
Excess Return	0.9%	1.3%	5.0%	2.3%	1.5%	_	2.0%

Note: Numbers may not sum due to rounding.

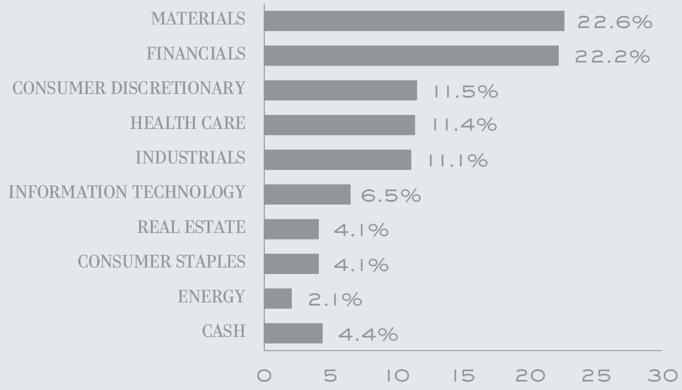
TOP 10 HOLDINGS

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

PERFORMANCE CHART[1]



SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 30 September 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 30 September 2020. Initial index value 1,000. Index Source: Bloomberg.

AUSTRALIAN GOVERNANCE & ETHICAL Index Fund

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 -4.0% for the month of September, behind the S&P/ASX 100 Accumulation Index which recorded -3.7%. Positive contributors included overweight positions in healthcare companies CSL Limited (+0.9%) and Cochlear Limited (+3.0%), while the exclusion of Afterpay (-12.5%) and Origin Energy (-21.7%) also benefited performance. Negative contributors included overweight positions in Virgin Money UK (-11.3%) and The A2 Milk Company (-17.4%) while the exclusion of Sonic Healthcare (+5.1%) also impacted performance.

Considerable developments confirming the rising importance of sustainability occurred over the month of September. Highlighting the key imperative of social license to operate, in response to rising anger at the handling of the Juukan Gorge fiasco, key Rio Tinto executives – including Group CEO, Iron Ore CEO, and Corporate Relations CEO – announced their resignations from the company. In the oil and gas sector, stranded assets continue to be a focus point, as BP – in its latest annual energy outlook – warned that peak oil demand will likely occur in the early 2020s. While in regulatory news, New Zealand became the first country in the world to make climate risk reporting mandatory for banks, asset managers and insurers.

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]
$1.69	$1.57	$25.8 MILLION	5.3%	1.2%

Units on issue: 15,194,574

FUND PERFORMANCE[1]

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS (P.A.)	3 YEARS (P.A.)	SINCE INCEPTION (P.A.)
NTA	-4.0%	-1.3%	13.7%	-10.9%	0.8%	-	1.2%
S&P/ASX 100 Accumulation Index	-3.7%	-0.8%	15.1%	-10.8%	0.7%	-	0.6%
Excess Return	-0.3%	-0.5%	-1.4%	-0.2%	0.1%	-	0.6%

Note: Numbers may not sum due to rounding.

LARGEST ACTIVE POSITIONS

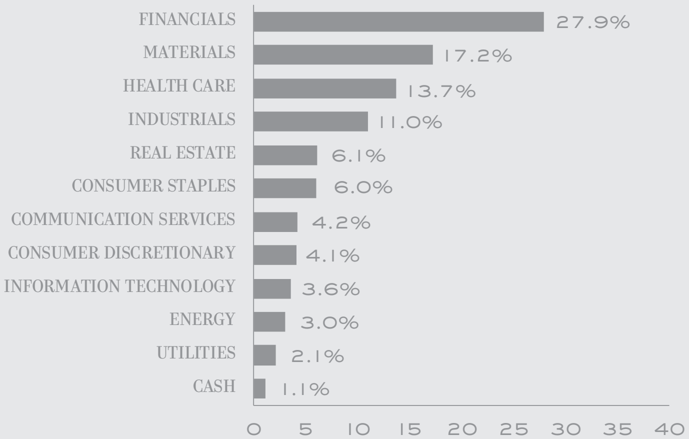
TOP 10 OVERWEIGHT[2]

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

TOP 10 UNDERWEIGHT[2]

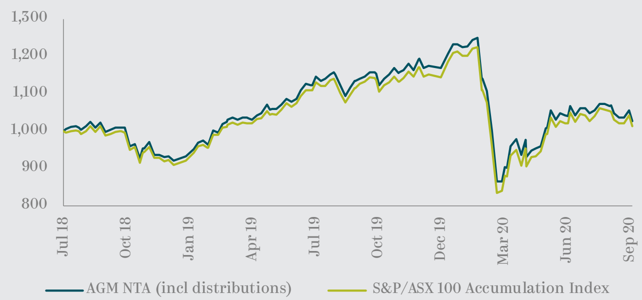
Afterpay Ltd	Goodman Group
AGL Energy Ltd	Resmed Inc
Amcor Plc	Sonic Healthcare Ltd
Aristocrat Leisure	South32 Ltd
BHP Group Ltd	Westpac Banking Corporation

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

PERFORMANCE CHART[1]



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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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