7 November 2018

Dear fellow investor,

Chairman's Update

The Global Disruption Fund (**Fund**) performed well again in the September quarter.

The reporting season was on balance a good set of results for the Fund, highlighting the companies we invested in overall are meeting expectations and, in many cases, exceeding them.

The theme of disruptive technology and innovation remains relevant and a significant contributor to markets going forward. This influence is likely to be sustained given the continued and substantial growth in corporate IT spending, which was one of the most notable aspects of our Portfolio Manager, Raymond Tong's, recent trip to the US.

Chinese stocks were comparatively weaker this quarter, due to concerns around the US-China trade war and slowing Chinese growth. Nevertheless, we remain confident in the long-term positioning of the Chinese companies held in the Fund.

The Investment Committee continues to examine global markets for new industries and enterprise disrupting traditional operating models or developing new pathways to customers. We also actively review the Fund's existing holdings and exposures considering emerging trends and changing circumstances.

The progress of research and innovation in medicine is one such area where treatment options are rapidly changing and this quarter the Fund made its first investments in the medical technology (Medtech) sector. The Fund has invested in Illumina, a business at the forefront of genetic sequencing technology and in Merck, an established pharmaceutical company pioneering new cancer treatments using immunotherapy. We remain confident in the Fund's significant shareholdings and the merits of these investments, with pleasing quarterly results and recent market disclosures from these companies.

This quarter we successfully completed a further capital raising, demonstrating strong support for the Funds mandate to invest in companies that will be beneficiaries of advances in technology and disruptive innovation of markets and industries.

Please find attached the September 2018 quarterly update for the Fund.

Yours sincerely,

David Evans

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EVANS & PARTNERS
GLOBAL DISRUPTION FUND

SEPTEMBER 2018 QUARTERLY INVESTMENT UPDATE

All data is at 30 September 2018 and in Australian dollars (AUD), unless otherwise indicated.

PORTFOLIO COMMENTARY

The Fund performed well in the September quarter (Q3), returning 6.3% on a Net Tangible Asset (NTA) basis. Developed markets were buoyant, led by the United States, while emerging markets (including China) reflected concerns about the escalating US–China trade tensions, Chinese economic growth and a strong US dollar. Reflecting this dichotomy, the Nasdaq returned 7%, the S&P 500 8% and the MSCI World Index 5% (in US dollar terms).

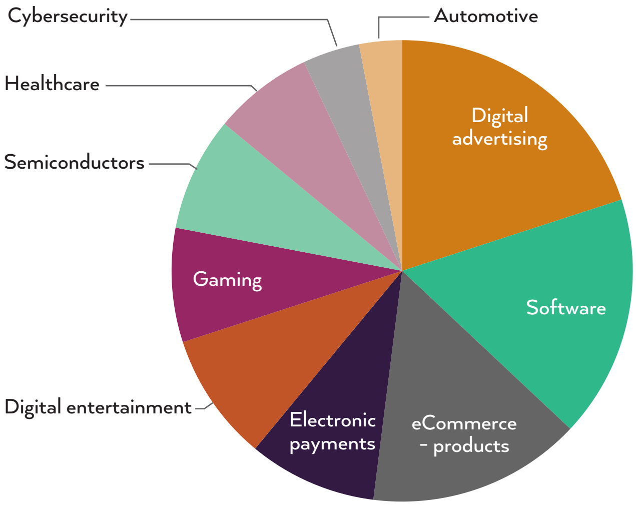
Wirecard (up 35%), Amazon (up 18%), Salesforce (up 17%), Nvidia (up 19%) and Microsoft (up 16%) achieved the strongest share price appreciations following quarterly results. Key detractors for the portfolio were Zillow (down 25%), Tencent (down 15%) and Alibaba (down 13%) – all in local currency terms.

During the quarter, the Fund's Investment Manager chose to initiate positions in the medical technology (Medtech) sector, including investments in Illumina and Merck. Illumina is a leader in the emerging medical area of genetic sequencing, with a strong business model of highly profitable and recurring revenue streams. Merck is a market leader in cancer immunotherapy, which is a revolutionary treatment using a body's immune system to kill cancer cells.

The Fund divested its positions in Facebook and Nintendo. It exited its position in Facebook as a result of ongoing uncertainty around data privacy and the potential for greater regulation, and the possible impacts of these issues on the company's business model. The Fund also exited its position in Nintendo reducing its exposure to digital gaming, preferring exposure to the Medtech sector.

The Fund successfully closed a Capital Raising on 27 September, raising a further $6.4 million from new and existing unitholders. At the end of the quarter, the cash position of the Fund was 5%.

SECTOR BREAKDOWN



TOP 10 HOLDINGS

IN ALPHABETICAL ORDER	SECTOR EXPOSURE
Activision Blizzard	Gaming
Alibaba	eCommerce
Alphabet	Digital advertising
Amazon	eCommerce
Baidu	Digital advertising
Microsoft	Software
Netflix	Digital entertainment
Nvidia	Semiconductors
Salesforce.com	Software
Tencent	Digital advertising, Gaming

FUND PERFORMANCE

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Unit price (%)	-2.3%	1.9%	14.7%	29.6%	N/A	N/A	30.4%
NTA[2] (%)	-0.9%	6.3%	20.1%	38.0%	N/A	N/A	35.6%
NTA[2] in USD[3] (%)	-0.4%	3.7%	13.0%	27.3%	N/A	N/A	25.2%

Notes:
[1] *All returns beyond one year are annualised.*
[2] *NTA performance numbers are total returns, with distributions reinvested and net of fees and costs.*
[3] *NTA in USD is converted by the month-end closing AUD/USD foreign exchange rate. Exchange rate source: Bloomberg*

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MARKET REVIEW

During the quarter, many companies in the disruption universe posted strong June quarterly (Q2) results, however, share price performance across the portfolio was volatile.

Wirecard's Q2 result was strong, with growth underpinned by the continuation of long-term trends including the transition from cash to digital payments, as well as the convergence of offline and online sales channels. Wirecard upgraded FY18 earnings guidance for EBITDA to €530-€560 million (was €520-€545 million), and also increased its long-term 2020 vision to reflect increased transaction volume and revenue assumptions.

Amazon reported a solid Q2 result, well ahead of the market's EPS estimates, and indicated Q3 operating income guidance also ahead of market expectations. Group profitability continued to improve, underpinned by its high-margin Amazon Web Services business and advertising revenue growth, as well as improving efficiencies in operations, infrastructure and fixed costs.

Salesforce also reported a solid Q2 result, beating market expectations for billings. Product subscription growth remained solid, with Sales Cloud (up 13% (year on year (yoy)), Service Cloud (up 27% yoy), Platform and Other (up 54% yoy), and Marketing and Commerce Cloud (up 37% yoy). Salesforce remains the clear leader in CRM, and we believe it remains well positioned to benefit from continued growth and margin expansion over the longer-term.

Chinese internet stocks (Tencent, Alibaba and Baidu) were impacted by weaker Asian markets, due to escalating US-China trade tensions, a slowing Chinese economy (GDP: 6.5% yoy) and other company-specific issues. Such issues included regulatory uncertainty for Tencent, greater investment spend by Alibaba and the potential for greater competition for Baidu following news that Google may seek to re-enter the Chinese market. While there is some near-term uncertainty, we remain confident in the longer-term outlook for these companies.

During early September, Portfolio Manager Raymond Tong travelled to the United States to meet with a series of companies across the technology sector. Key takeaways from the trip include:

- the US economy continues to grow strongly
- corporate IT spending remains strong
- companies continue to leverage their core business to expand into and disrupt adjacent markets
- companies are focusing on employing artificial intelligence and machine learning tools to drive greater innovation, gain competitive advantages and drive cost efficiencies.

In particular, meetings with portfolio companies including Microsoft, PayPal, Nvidia and Zillow reinforced our positive view on their medium to long-term prospects.

Microsoft has significant momentum resulting from strong global IT spend, sales force reorganisation, and exposure to secular trends including cloud, artificial intelligence and gaming.

PayPal continues to benefit from the shift to online commerce, a growing two-sided market place and a strong partnership strategy driving expectations of c.20% earnings growth over the next 3-5 years.

We believe the demand for Nvidia's GPU chips will continue to benefit from disruptive trends such as gaming, the shift to cloud use, autonomous cars, and artificial intelligence; as well as the company's competitive advantage arising from its hardware and software ecosystem; and from its strong product roadmap (including a new, recently announced product called Turing).

While Zillow underperformed during the September quarter, we remain comfortable with our holding given the size of the digital real-estate opportunity in the US and its audience leadership. The company continues to make significant investments to grow greater capability in its core business and disrupt new adjacent markets.

FUND FACTS

KEY FUND DETAILS	
ASX ticker	EGD
Structure	Listed unit trust
Inception	25 July 2017
Currency	AUD (unhedged)
Unit price	$2.15
NTA	$2.18
Market capitalisation	$270.8 million
Units outstanding	124.2 million
ONGOING FEES (EXCLUSIVE OF GST)	
Responsible Entity fee	0.08% p.a.
Administration fee	0.25% p.a.
Investment Management fee	0.95% p.a.*

DISTRIBUTIONS ANNOUNCED (LAST 12 MONTHS)	
28 June 2018	4 cents per unit

** Inclusive of GST and net of RITC.*

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INVESTMENT OBJECTIVE

The objective of the Fund is to provide investors with capital growth over the long term through exposure to companies that will benefit from disruptive innovation.

INVESTMENT STRATEGY

Evans and Partners Investment Management Pty Limited (the **Investment Manager**) will target a concentrated portfolio of global investments (primarily listed companies) which may exhibit some or all of the following characteristics:

- a proven ability to disrupt, and the potential to continue to disrupt, existing markets and businesses
- the ability to utilise new technology to disrupt existing industries
- demonstrated growth potential and scalability
- an appropriate capital structure to fund research and development, as well as growth.

Complementing a relatively large exposure to major listed global companies will be a selection of smaller positions identified by the Investment Manager that have the potential to successfully disrupt existing industries and companies.

The Investment Manager may seek to identify and source opportunities in unlisted Australian and international companies that are typically at an earlier stage in their business life-cycle than the Fund's listed investments, but which have a disruptive business model or technology that the Investment Manager believes has the potential to be successful. This may involve participation in pre-IPO fund raisings but will not encompass early stage or venture capital-type investments.

The investment process is conducted by the Investment Manager who coordinates with the Investment Committee and Portfolio Manager to assist with investment decisions.

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INVESTMENT COMMITTEE

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Chair

RICHARD GOYDER
Committee Member

PAUL BASSAT
Committee Member

DAVID THODEY
Committee Member

SALLY HERMAN
Committee Member

JEFFREY COLE
Committee Member

RAYMOND TONG
Portfolio Manager

ABOUT THE INVESTMENT MANAGER

Evans and Partners Investment Management Pty Limited is a subsidiary of the Walsh & Company Group. Walsh & Company 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.

We provide investors access to unique investment strategies that are not readily accessible to investors, and focus on building high-quality, diversified portfolios.

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IMPORTANT INFORMATION

This document has been prepared by Evans and Partners Investment Management Pty Limited (ACN 619 080 045, CAR 1255 264), as Investment Manager of the Evans & Partners Global Disruption Fund (ARSN 619 350 042) (**Fund**). This document may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. The past performance of the Fund is not a guarantee of the future performance of the Fund. This document may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity does not make any representation as to the accuracy or likelihood of fulfilment of the forward looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and the Responsible Entity assumes no obligation to update that information. The Responsible Entity gives no warranty, representation or guarantee as to the accuracy or completeness or reliability of the information contained in this document. The Responsible Entity does not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this document. Any recipient of this document should independently satisfy themselves as to the accuracy of all information contained herein.

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