

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

October was a very tough month for markets, with the S&P/ASX 200 Index declining 6.1%. This was the worst monthly drop in more than three years (since August 2015) and the worst October fall in 10 years (Oct 2008).

The Fund's portfolio declined 6.9% for the month, led down by our overweight positions in Information Technology and Energy. Afterpay Touch (-30%), Xero (-19%) and REA Group (-17%) were the three worst performing stocks relative to the benchmark for the month. From a fundamental perspective, there was no change to the earnings outlook or business model for these companies, but rather a broad-based de-risking of the higher PE stocks in the market. We remain comfortable with the outlook for these companies over the long term.

On a more positive note, the defensive stocks in the portfolio held up relatively well and provided some portfolio stability. Transurban (+1%) and Orora (+1%) were the only two portfolio holdings to post positive returns during the month.

PORTFOLIO CONSULTANTS



Ben Chan
Portfolio
Consultant

Adam Alexander
Portfolio
Consultant

NTA per unit \$1.49	Unit price \$1.63	Gross assets \$30.2 MILLION	12 month distribution yield (target) 5.0%	Performance since inception (21 June 2018) ¹ -3.9%
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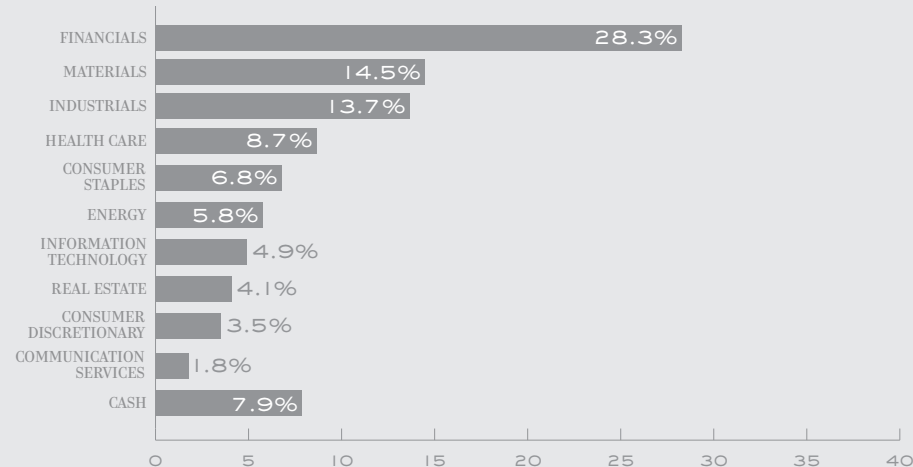
FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	-6.9%	-6.3%	-	-	-	-	-3.9%
S&P/ASX 200 Accumulation Index	-6.1%	-5.9%	-	-	-	-	-5.0%
Excess Return	-0.8%	-0.4%	-	-	-	-	1.1%

TOP 10 PORTFOLIO HOLDINGS

ANZ Banking Group	FINANCIALS	Sydney Airport	INDUSTRIALS
BHP Billiton Ltd	MATERIALS	Transurban Group	INDUSTRIALS
Commonwealth Bank of Australia	FINANCIALS	Wesfarmers Ltd	CONSUMER STAPLES
CSL Ltd	HEALTH CARE	Westpac Banking Corporation	FINANCIALS
Macquarie Group Limited	FINANCIALS	Woodside Petroleum Limited	ENERGY

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 31 October 2018 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.





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 prepared by Evans and Partners Investment Management Pty Limited (**Investment Manager**) (ACN 619 080 045, CAR No. 1255264), as investment manager for the Evans & Partners Australian Flagship Fund (**Fund**) (ARSN 625 303 068).

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