



ARSN 625 303 068

ANNUAL REPORT

FOR THE PERIOD FROM 12 APRIL 2018
(DATE OF REGISTRATION) TO 30 JUNE 2019

RESPONSIBLE ENTITY:

WALSH & COMPANY

INVESTMENTS LIMITED

(ACN 152 367 649) (AFSL 410 433)

INVESTMENT MANAGER:

EVANS AND PARTNERS
INVESTMENT MANAGEMENT PTY LIMITED
(ACN 619 080 045) (CAR 1255 264)

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CHAIRMAN'S LETTER

30 JUNE 2019

Dear Unitholders

Welcome to the inaugural Annual Report for the Evans & Partners Australian Flagship Fund (**Fund** or **EFF**) for the period 12 April 2018 ending 30 June 2019.

SUCCESSFUL COMPLETION OF FIRST YEAR FOLLOWING ESTABLISHMENT

The Fund was established in June 2018 to help provide investors with capital growth, attractive risk-adjusted returns, and stable distributions over the medium to long term through exposure to quality investments that are well positioned to deliver sustainable earnings growth and returns on capital.

We are pleased that EFF has achieved a sound performance for the first full year since its inception, with the Fund generating returns of 12.1% on a net asset value basis (**NAV**) for the year, outperforming the S&P/ASX 200 Accumulation Index (**Index**) by 0.6%.

CAPITAL MANAGEMENT AND DISTRIBUTIONS

The Fund targets a cash distribution of 5.0% per annum based on Net Asset Value (**Target Distribution**), paid semi-annually. Consistent with this, EFF paid a distribution of 3.9 cents per ordinary unit for the period ending 31 December 2018 and announced a distribution of 3.6 cents per ordinary unit for the period ending 30 June 2019. EFF has also announced a Target Distribution of 4.2 cents per ordinary unit for the six months to 31 December 2019. As part of its considered capital management strategy, the Investment Manager also initiated a buyback program, acquiring 2.0% of outstanding units during the year.

PORTFOLIO UPDATE

Despite strong swings in market sentiment, due to the ongoing trade negotiations between the United States and China, central bank positioning and the outlook for global and domestic growth, the Index was up 11.5% over the year. Noting that at its lowest point in December, the market was down 10%.

Pleasingly, as noted above, the Fund outperformed the Index by 0.6% over the year, with strong returns generated from stock selection in the Information Technology and Consumer Discretionary sectors along with the portfolio's underweight position in Financials.

The Investment Manager has targeted a concentrated portfolio of ASX-listed securities, utilising the collective expertise of the Portfolio Managers and Investment Committee members. Investments are selected using a combination of top down thematic and bottom-up, fundamental analysis of investment markets. Specifically, the portfolio is constructed following individual evaluations of investments (for example, changing demographics and disruption), on the basis of thematic strength, competitive advantage, potential for risk-adjusted returns, dividend growth and quality of the board and management.

After a successful year, we would like to thank you for your continued support and look forward to communicating with you in future about our performance.

Yours faithfully,



David Evans
Chairman of the Investment Committee

Dated: 27 August 2019

INVESTMENT MANAGER'S REPORT

30 JUNE 2019

MARKET REVIEW

The year to 30 June 2019 was characterised by periods of extreme volatility across financial markets. After a reasonably solid start, the S&P/ASX 200 Accumulation Index (**Index**) fell 13% from late August to 21 December only to be followed by a strong rally – with the index finishing 24% higher than its previous low point. The end result was an 11.5% increase in the overall market.

The main macroeconomic issue that financial markets grappled with throughout the year was the wider impact of the trade negotiations between the United States and China. The resumption of trade talks was generally met with exuberance, but this was closely followed by selling when no resolution was reached. This has clearly had an impact on trade and global growth rates and was the catalyst for the sell-off seen across most global equity markets in the December quarter. The US–China trade dispute was only the trigger, but it shone a light on valuations across a number of sectors – with the high multiple growth sectors proving to be the most impacted during this time.

The Materials sector performed strongly, led by the large-cap miners. This followed Brazil's tragic mining accident in January, where a tailings dam collapsed and resulted in multiple fatalities. Noting that Brazil is the second largest iron ore exporter behind Australia, this had the result of shutting a significant proportion of Brazilian iron ore capacity, which subsequently tightened up the global market significantly. The Materials sector in Australia is dominated by BHP, Rio Tinto and Fortescue, which all share iron ore as their largest revenue exposure and which have all benefitted from this somewhat artificial price strength.

The Australian federal election result was also a positive for equity markets, with the Coalition victory removing the imminent risk to some of the benefits of franking credit refunds for investors, along with negative gearing and capital gains tax discount benefits. In the week following the election result, the big four banks performed strongly and were up some 10% as a group – due, in part, to avoiding these factors which may have negatively impacted them.

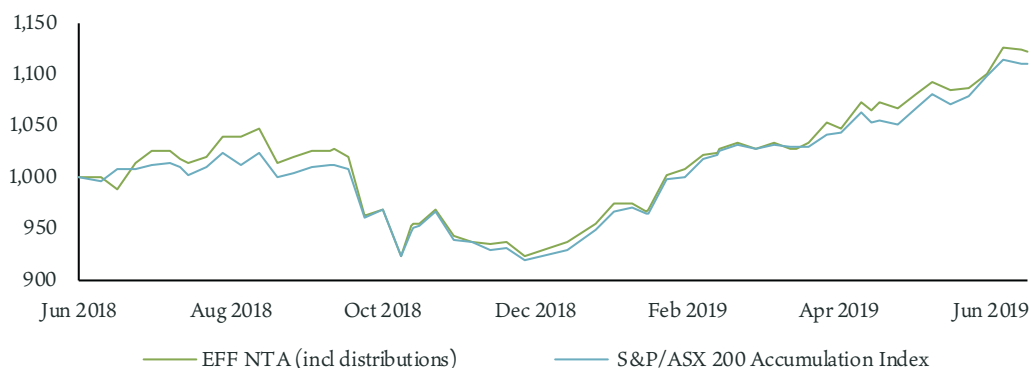
In the last few months of the financial year, focus shifted to interest rates. The US Federal Reserve moved to cut its benchmark rate (partly as a result of the market reaction in the December quarter) and Australia followed suit with the Reserve Bank of Australia (**RBA**) cutting the cash rate in both June and July. The Australian 3-year treasury bond yield is now at only 0.9% compared to a peak of 7% back in 2008 and 2.7% five years earlier. This has resulted in the yield achieved on equities appearing much more attractive on a relative basis, as well as higher valuations in the last few months of the year. The dividend yield on the Index ended the financial year over 4% on a net basis.

Unsurprisingly, stocks with high dividend yields rallied strongly late in the period – with Infrastructure, Real Estate trusts and Banks all performing well. Long-duration growth stocks also performed well given the lowering of the discount rate.

FUND PERFORMANCE

Against this backdrop, the Evans & Partners Australian Flagship Fund rose 12.1% during the year to 30 June, outperforming the Index by 0.6%. The Index had a strong year (+11.5%) despite the sharp correction in the December quarter where it fell 6.8%.

Fund performance relative to benchmark since inception



Source: Evans and Partners Investment Management Pty Limited

The recovery in the market over the last six months was seen largely across the board, but Communication Services (+32%), Information Technology (+23%), Materials (+21%) and Industrials (+19%) were the strongest by sector. Within Communication Services, Telstra was a very strong contributor as the competitive landscape improved post the removal of the threat of a third mobile network. The Technology space continued to be a strong performer, in part following an offshore lead, while Materials benefited from a very strong iron ore price.

The only sector that was down over the 12 months was Energy, with the oil price ending 24% lower than it started. With a weakening consumer, both the Consumer Discretionary (+5%) and Consumer Staples (+5%) sectors also underperformed.

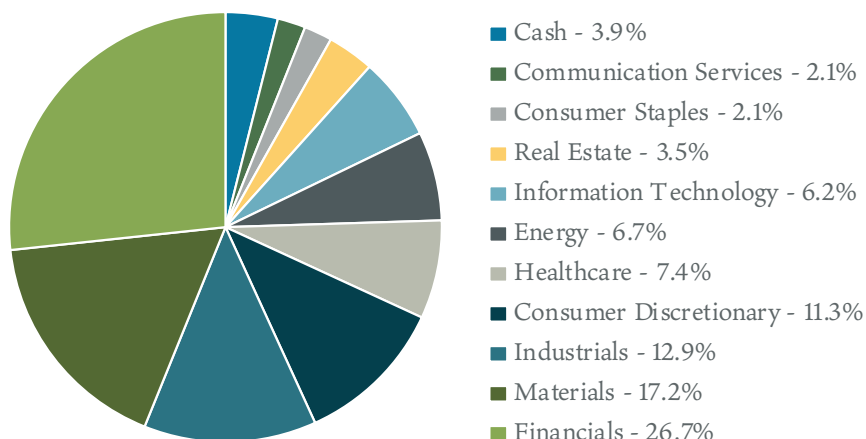
For EFF, top performers for the year were Afterpay (+162%), IDP Education (+72%), BHP (+34%), Metcash (+33%) and Xero (+70%). On the downside, Bluescope, Blackmores and Reliance Worldwide all declined more than 30% during this time.

On balance, however, stock selection in the Information Technology and Consumer Discretionary sectors along with the portfolio's underweight position in Financials led to its outperformance of the Index by 0.6% over the year – even with an underweight exposure to Real Estate which, at a sector level, outperformed the market.

PORTFOLIO POSITIONING

SECTOR EXPOSURE

At 30 June 2019, the EFF sector exposure of the portfolio was:



Source: Evans and Partners Investment Management Pty Limited

TOP TEN POSITIONS

At 30 June 2019, the top 10 holdings in the portfolio, listed in alphabetical order, were:

| COMPANY | SECTOR |
|--------------------------------|------------------------|
| Aristocrat Leisure Ltd | Consumer Discretionary |
| ANZ Banking Group | Financials |
| BHP Group Ltd | Materials |
| Commonwealth Bank of Australia | Financials |
| CSL Ltd | Health Care |
| Macquarie Group Limited | Financials |
| Transurban Group | Industrials |
| Westpac Banking Corporation | Financials |
| Wesfarmers Ltd | Consumer Discretionary |
| Woodside Petroleum Limited | Energy |

Source: Evans and Partners Investment Management Pty Limited

The Investment Manager targets a concentrated portfolio of ASX-listed securities, utilising the Investment Committee and portfolio managers' expertise and bottom-up, fundamental analysis of market opportunities with a strong quality overlay. Securities are consistently evaluated using the following criteria: strong industry thematic; a sustainable competitive advantage; attractive, risk-adjusted returns; growing dividends; quality board and management; and attractive valuation.

The portfolio continues to remain exposed to certain long-term themes which include Tourism Health and Wellness, Changing Demographics, Housing and Infrastructure, Clean Energy and Disruption. Three of the portfolio's best performing companies during the financial year were aligned to the Disruption thematic (Afterpay, IDP Education and Xero). The Investment Manager continues to believe that exposure to these thematics will underpin earnings for the selected companies and benefit our portfolio over the longer term.

OUTLOOK

Although the market appears elevated, it needs to be assessed in the context of the current low interest rate environment. There is still healthy yield on offer and the longer interest rates remain where they are, the more likely valuations will continue to be adjusted upwards in response.

We believe that companies with relatively secure cash flows (especially across infrastructure and utilities) should continue to be supported, and we maintain our favourable view on energy markets. In our view, the geopolitical risks in the Middle East (specifically the Iran sanctions), combined with the lack of investment in reserve replenishment outside of OPEC, are not appropriately represented in current prices. Although oil is somewhat of a bellwether for global growth, demand has thus far remained resilient.

Nonetheless, we have concerns in some segments and the possibility that trade related geopolitical events may weigh on market sentiment. Supply in the iron ore market is starting to come back online and we would expect some normalisation in prices which, combined with the continued global growth implications of trade negotiations, presents downside risk for commodities-related names. In addition, the RBA's move to cut rates in successive months clearly shows that the domestic consumer is weakening and suggests the recent rally in retail names is unjustified. Multiples in the Technology sector have expanded strongly and as such, we expect any downgrade to medium-term earnings expectations (or more importantly, revenue growth targets) will be punished severely.

Overall, we believe that stock selection will become more important as valuations remain elevated and as the market reaction to any disappointments will be more severe.

CORPORATE GOVERNANCE STATEMENT

30 JUNE 2019

Evans & Partners Australian Flagship Fund (**Fund**) is a listed managed investment scheme whose units are traded on the Australian Securities Exchange (**ASX**) (ticker code: **EFF**). The Fund has no employees, and its day-to-day functions and investment activities are managed by Walsh & Company Investments Limited (**Responsible Entity**) and Evans & Partners Investment Management Pty Limited (**Investment Manager**), respectively, in accordance with the constitution of the Fund and the investment management agreement.

The directors of the Responsible Entity (**Board**) and the Investment Manager's directors and senior management recognise the importance of good corporate governance. The Fund's corporate governance charter, which incorporates the Fund's policies referred to below (**Corporate Governance Charter**), is designed to ensure the effective management and operation of the Fund and will remain under regular review. The Corporate Governance Charter is available on the Fund's website australianflagshipfund.com.au.

A description of the Fund's adopted practices in respect of the eight Principles and Recommendations from the Third Edition of the *ASX Corporate Governance Principles and Recommendations* (**ASX Recommendations**) are set out below. All these practices, unless otherwise stated, were in place for the entire year.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

BOARD ROLES AND RESPONSIBILITIES

The Board is responsible for the overall operation, strategic direction, leadership and integrity of the Fund. This involves undertaking the following functions:

- providing and implementing the Fund's strategic direction;
- reviewing and overseeing the operation of systems of risk management ensuring that the significant risks facing the Fund are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with;
- overseeing the integrity of the Fund's accounting and corporate reporting systems, including the external audit;
- ensuring that the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance;
- reviewing and overseeing internal compliance and legal regulatory compliance;
- ensuring compliance with the Fund's Constitution and with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001 (Cth)*;
- overseeing the Fund's process for making timely and balanced disclosures of all material information concerning the Fund; and
- communication with and protecting the rights and interests of all unitholders.

The Board has established a formal policy, specified in Section 2 of the Corporate Governance Charter, which sets out its functions and responsibilities. A review of the policy is conducted annually.

2. STRUCTURE THE BOARD TO ADD VALUE

COMPOSITION OF THE BOARD

The Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director in office during the reporting period are given in the Directors' Report, including the years in office, skills, experience, and expertise relevant to the position of director.

The directors of the Responsible Entity during the reporting period were:

Alex MacLachlan

Warwick Keneally

Mike Adams (Appointed 9 July 2018)

Tristan O'Connell (Resigned 9 July 2018).

Having regard to the size of the Fund and the nature of its business, the Board has determined that a board with three members is the appropriate composition for the Board and will enable it to continue to effectively discharge its responsibilities to the Fund. However, the composition of the Board will be reviewed periodically.

The current Board is not independent. The Board however has established a Compliance Committee with a majority of independent members who are responsible for:

- monitoring the extent to which the Responsible Entity complies with the Fund's relevant regulations, compliance plan that has been lodged with the Australian Securities and Investments Commission (**ASIC**) (**Compliance Plan**), Constitution and report the findings to the Board;
- reporting to ASIC if the Compliance Committee is of the view that the Responsible Entity has not complied with the Compliance Plan or any relevant laws;
- assessing at regular intervals whether the Fund's Compliance Plan is adequate; and
- making recommendations to the Responsible Entity about any changes that the Compliance Committee considers should be made to the Compliance Plan.

The Fund recognises the ASX Recommendations with respect to establishing remuneration and nomination committees as good corporate governance. However, considering the size of the Fund, the functions that would be performed by these committees are best undertaken by the Board.

The Board will review its view on committees in line with the ASX Recommendations and in light of any changes to the size or nature of the Fund and, if required, may establish committees to assist it in carrying out its functions. At that time, the Board will adopt a charter for such committees in accordance with the ASX Recommendations and industry best practices.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non- executive directors on a case-by-case basis and in conformity with the requirements of the ASX Listing Rules and the *Corporations Act 2001 (Cth)*. In accordance with the corporate governance policy, directors are entitled to seek independent advice at the expense of the Fund. Written approval must be obtained from the chair prior to incurring any expense on behalf of the Fund.

3. ACT ETHICALLY AND RESPONSIBLY

CODE OF CONDUCT

The Board has adopted a Code of Conduct, as specified in Section 5 of the Corporate Governance Charter, to define the basic principles of business conduct of the Fund and the Responsible Entity. This Code requires the Fund's personnel to abide by the policies of the Fund and the law. The Code of Conduct is a set of principles giving direction and reflecting the Fund's approach to business conduct and is not a prescriptive list of rules for business behaviour.

UNIT TRADING POLICY

The Board has established a Unit Trading Policy, as specified in Section 6 of the Corporate Governance Charter, which applies to trading in the Fund's units on the ASX. This policy outlines the permissible dealing of the Fund's units while in possession of price sensitive information and applies to all directors of the Responsible Entity.

The Policy imposes restrictions and notification requirements, including the imposition of discretionary blackout periods, trading windows and the need to obtain pre-trade approval.

INSIDER TRADING POLICY

The Board has adopted an Insider Trading Policy, as specified in Section 7 of the Corporate Governance Charter, to apply to trading in the Fund's units on the ASX. This policy applies to all directors, executives and employees of the Responsible Entity. All directors, executives and employees of the Responsible Entity must not deal in the Fund's units while in possession of price sensitive information. In addition, the general Unit Trading Policy (see Section 6 of the Corporate Governance Charter) sets out additional restrictions which apply to directors and executives of the Responsible Entity.

4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING

COMPLIANCE COMMITTEE

As a registered managed investment scheme, the Fund has a Compliance Plan. The Compliance Plan is reviewed comprehensively every year to ensure that the way in which the Fund operates protects the rights and interests of unitholders and that major compliance risks are identified and properly managed.

The Responsible Entity has formed a Compliance Committee to ensure the Fund complies with the relevant regulations, its Compliance Plan and its constitution. The Compliance Committee meets and reports to the Board on a quarterly basis.

The Compliance Committee is structured with three members, the majority of which are independent. Details of the Compliance Committee members are as follows:

MIKE ADAMS (INTERNAL MEMBER)

Refer to information on directors (page 12).

BARRY SECHOS (INDEPENDENT MEMBER)

Barry is one of two independent members of the Compliance Committee. Barry is a member of the compliance committee for the New Energy Solar Fund, the Evans & Partners Global Disruption Fund, the Fort Street Real Estate Capital Fund Series, the Cordish Dixon Private Equity Fund Series, the Australian Governance & Ethical Index Fund, the Evans & Partners Asia Fund, the Evans & Partners Global Flagship Fund, the Venture Capital Opportunities Fund and the US Masters Residential Property Fund.

Barry is a Director of Sherman Group Pty Limited, a privately owned investment company, and is responsible for managing the legal, financial and operational affairs of Sherman Group of companies. Barry has 30 years' experience in corporate law and finance having spent seven years as a banking and finance lawyer at Allens (Sydney, Singapore and London), and eight years as a Director of EquitiLink Funds Management and Aberdeen Asset Management Australia. Barry is also a Director of See Saw Films, a film production and finance group and winner of the 2011 Academy Award for Best Picture, Concentrated Leaders Fund Limited, an investment company listed on the ASX, Regeneus Limited, an ASX listed biotech company and a Director of Sherman Contemporary Art Foundation, a charitable cultural organisation.

MICHAEL BRITTON (INDEPENDENT MEMBER)

Michael is one of two independent members of the Compliance Committee. He is a member of the compliance committee for the New Energy Solar Fund, the Fort Street Real Estate Capital Fund Series, the Cordish Dixon Private Equity Fund Series, the Evans & Partners Asia Fund, the Australian Governance & Ethical Index Fund, the Evans & Partners Global Flagship Fund, the Venture Capital Opportunities Fund and the Evans & Partners Global Disruption Fund. He is also an independent member of Compliance Committees for NorthWest Australia (Scheme 2), Angas Asset Management Fund, Angas Prime and Angas Direct. Michael has over 35 years of commercial and financial services experience, initially with Boral Limited and culminating in 12 years as General Manager of the corporate businesses of The Trust Company Limited (now part of Perpetual Limited) (**The Trust Company**) where he established the company's reputation as a leader in the delivery of independent responsible entity services. He has represented The Trust Company as a director on the boards of both domestic and offshore operating subsidiary companies and a large number of special purpose companies delivering the responsible entity function in both conventional and stapled, ASX listed and unlisted managed investment schemes. Michael has acted as a Responsible Manager (as recognised by ASIC), a member of committees of inspection in relation to large insolvency administrations and as an independent compliance committee member for substantial investment managers with portfolios of managed investment schemes.

Currently Michael is an independent director on the boards of the now unlisted Westfield Corporation Limited and Westfield America Management Limited (following Unibail Rodamco absorbing the Westfield offshore Shopping Malls). He is an independent director of the unlisted Knights Capital Group Limited, a Perth-based investor and property manager. He is the sole independent director of three special purpose companies involved in high profile wholesale debt capital and securitisation transactions in the aviation and motor vehicle industries and is also a panel member for the Australian Financial Complaints Authority (formerly Financial Ombudsman Services Limited).

Michael holds degrees in Jurisprudence and Law from the University of New South Wales and is a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

The Board, having considered their overall responsibilities, the size and structure of the Fund and other duties performed by the Compliance Committee, does not consider it appropriate, at this time, to establish an audit committee.

5. MAKING TIMELY AND BALANCED DISCLOSURE

The Board is committed to complying with its continuous disclosure obligations under the *Corporations Act 2001 (Cth)* and ASX Listing Rules, as well as releasing relevant information to the market and unitholders in a timely and direct manner to promote investor confidence in the Fund and its securities.

The Fund has adopted a Continuous Disclosure Policy (as specified in Section 4 of the Corporate Governance Charter) to ensure the Fund complies with its continuous disclosure requirements. This policy is administered by the Board and monitored by the Compliance Committee.

6. RESPECT THE RIGHTS OF UNITHOLDERS

RIGHTS OF UNITHOLDERS

The Fund promotes effective communication with unitholders. The Board has developed a strategy within its Continuous Disclosure Policy to ensure that unitholders are informed of all major developments affecting the Fund's performance, governance, activities and state of affairs. This includes using a website to facilitate communication with unitholders. Each unitholder is also provided online access to Boardroom Pty Limited

(**Registry**) to allow them to receive communications from, and send communication to, the Responsible Entity and the Registry. Information is communicated through announcements to the ASX, releases to the media and the dispatch of financial reports. Unitholders are provided with an opportunity to access such reports and releases electronically. Copies of all ASX announcements are linked to the Fund's website.

These include:

- monthly net tangible asset backing announcements;
- quarterly investment updates;
- the half-year report;
- the annual report;
- occasional ASX announcements made to comply with the Fund's continuous disclosure requirements; and
- occasional correspondence sent to unitholders on matters of significance to the Fund.

The Board encourages full participation of unitholders at the general meetings to ensure a high level of accountability and identification with the Fund's strategy. Unitholders who are unable to attend the general meeting are given the opportunity to provide questions or comments ahead of the meeting and where appropriate, these questions are answered at the meeting.

7. RECOGNISE AND MANAGE RISK

The Board has accepted the role of identification, assessment, monitoring and managing the significant areas of risk applicable to the Fund and its operations. It has not established a separate committee to deal with these matters as this responsibility will be undertaken by the Compliance Committee. The Board also monitors and appraises financial performance, including the approval of annual and half-year financial reports and liaising with the Fund's auditor.

In order to evaluate and continually improve the effectiveness of its risk management and internal control processes the Board conducts an annual review of its risk management framework to satisfy itself that the framework continues to be sound. A review of the risk management framework took place for the reporting period.

The Responsible Entity provides declarations required by Section 295A of the *Corporations Act 2001 (Cth)* for all financial periods and confirms that in its opinion the financial records of the Fund have been properly maintained and that the financial statements and accompanying notes comply with the Australian Accounting Standards and give a true and fair view of the financial position and performance of the Fund, based on its review of the internal control systems, management of risk, the financial statements and the letter from the Fund's external auditor.

Details of the Fund's financial risk management are set out in the notes to the financial statements in the annual report. The Fund does not have any material exposure to economic, environmental and social sustainability risks.

8. REMUNERATE FAIRLY AND RESPONSIBLY

REMUNERATION POLICY

There is no remuneration paid directly to the directors as they are remunerated by the Responsible Entity. In accordance with the Fund's constitution, the Responsible Entity is entitled to a management fee for services rendered. Details of the Fund's related party transactions are disclosed in the notes to financial statements within the annual report. The Fund's constitution is available to unitholders on the Fund's website.

DIRECTORS' REPORT

30 JUNE 2019

The directors of Walsh & Company Investments Limited, the Responsible Entity of Evans & Partners Australian Flagship Fund (**the Fund** or **EFF**) present their report on the Fund for the period from 12 April 2018 (date of registration) to 30 June 2019.

DIRECTORS

The directors of the Responsible Entity at any time during or since the end of the financial period are shown below:

Alex MacLachlan

Warwick Keneally

Mike Adams (Appointed 9 July 2018)

Tristan O'Connell (Resigned 9 July 2018)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

INFORMATION ON DIRECTORS



ALEX MACLACHLAN

Alex joined Dixon Advisory in 2008 to lead the then newly formed Funds Management division, which later became Walsh & Company. From funds under management of under \$100 million at the time of his start, Alex has grown Walsh & Company Group to over \$6 billion of assets under management today, with investments across residential and commercial property, fixed income, private equity, listed equities and renewable energy. Prior to joining the firm, Alex was an investment banker at UBS AG, where he rose to Head of Energy for Australasia. During his tenure in investment banking, Alex worked on more than \$100 billion in mergers and acquisitions and capital markets transactions, advising some of the world's leading companies.

Alex has a Bachelor of Arts from Cornell University and a Masters of Business Administration from The Wharton School, University of Pennsylvania.



WARWICK KENEALLY

Warwick is Interim Chief Financial Officer and Company Secretary of Evans Dixon Limited and Head of Finance at Walsh & Company, the Funds Management division of Evans Dixon Limited. Before joining Walsh & Company, Warwick worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG, working in their Canberra, Sydney and London offices and has undertaken a range of complex restructuring engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks.

Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management.

Warwick has a Bachelor of Economics and Bachelor of Commerce from the Australian National University and is a Member of the Institute of Chartered Accountants in Australia and New Zealand.



MIKE ADAMS

Mike has extensive experience across a broad range of corporate, commercial and private client sectors. His core practice areas involve the provision of advice and transactional expertise in relation to new and existing retail financial products and the regulatory framework within which they operate, as well as debt and equity financing, intellectual property, and film and television media law among others. Mike has previously worked in private practice, public sector and in-house roles in Australia, New Zealand and the United Kingdom, acting across multiple industries for a variety of clients, including high-net-worth individuals, banks and financial institutions, as well as numerous listed and unlisted corporate entities. Mike was appointed to the Board of Walsh & Company Investments Limited on 9 July 2018.

Mike is also a director with Barnett Law, a Sydney-based financial services law firm, and is admitted as a solicitor of the Supreme Court of NSW. He has a Bachelor of Laws from the University of Otago.



TRISTAN O'CONNELL

Tristan was Group Chief Financial Officer and Company Secretary for Evans Dixon Limited until 8 July 2019 and was a Director of Walsh & Company Investments Limited until 9 July 2018.

Tristan has a Bachelor of Commerce from the Australian National University, is a member of CPA Australia and is Fellow of the Financial Services Institute of Australasia.

PRINCIPAL ACTIVITIES

The Fund is a registered managed investment scheme structured as a closed end unit trust that is domiciled in Australia and quoted on the Australian Securities Exchange (**ASX**) (ticker code: **EFF**). It was registered on 12 April 2018. The registered office and principal place of business of the Responsible Entity of the Fund is located at Level 15, 100 Pacific Highway, North Sydney, NSW, 2060.

The principal activity of the Fund was to provide investors with capital growth, attractive risk-adjusted returns and stable distributions over the medium to long-term through exposure to quality ASX listed securities.

There were no significant changes in the nature of this activity during the period.

REVIEW OF FINANCIAL RESULTS AND OPERATIONS

FINANCIAL RESULTS FOR THE PERIOD

The performance of the Fund, as represented by the results of its operations since registration 12 April 2018 to 30 June 2019, was as follows:

| RESULTS | 2019 |
|--|------------------|
| Total net investment income (\$) | 3,983,139 |
| Total expenses (\$) | (371,470) |
| Net profit (\$) | 3,611,669 |
| DISTRIBUTIONS | |
| Cash distributions – cents per unit | 7.50 |
| Total cash distributions (\$) | 1,510,035 |
| NET ASSET VALUE | |
| Net asset value per unit (ex -distribution) (\$ per unit) | 1.67 |

The value of the Fund's assets is disclosed in the Statement of Financial Position and derived using the basis set out in Note 3 to the financial statements.

PERFORMANCE RETURNS

The performance returns shown in the table below are for the period from inception on 12 April 2018 to 30 June 2019, and have been calculated using the net asset value per unit for the Fund, which is after fees and expenses, assuming reinvestment of distributions. The returns are calculated monthly and compounded to produce longer period returns.

| PERFORMANCE | 12 APRIL 2018 TO 30 JUNE 2019 % |
|-------------------------------------|---------------------------------------|
| Growth return ⁽ⁱ⁾ | 6.81 |
| Distribution return ⁽ⁱⁱ⁾ | 5.30 |
| Total return⁽ⁱⁱⁱ⁾ | 12.11 |

- (i) The Growth return is calculated as a percentage by dividing the end of period net asset value per unit by the net asset value per unit at the start of the period minus 1.
- (ii) The Distribution return is calculated as a percentage by subtracting the Growth return from the Total return.
- (iii) The Total return is calculated as a percentage by dividing the end of period net asset value per unit (cum-distribution) by the net asset value per unit at the start of the period minus 1.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Fund during the financial period.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Fund will continue to invest in companies and businesses in accordance with the investment strategy as set out in the Product Disclosure Statement. The method of operating the Fund is not expected to change in the foreseeable future; however, the results of the Fund's operations may be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

OPTIONS

No options were granted over issued or unissued units in the Fund during, or since, the end of the year.

INDEMNITY AND INSURANCE

Under the Fund's constitution, the Responsible Entity, including its officers and employees, is indemnified out of the Fund's assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Fund.

Insurance premiums have been paid, during or since the end of the financial period, for all of the directors of the Responsible Entity of the Fund. The contract of the insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for the auditor of the Fund.

ENVIRONMENTAL REGULATION

The Fund is not subject to any significant environmental regulation under Australian Commonwealth or State law.

INTERESTS IN THE FUND

The movement in units on issue in the Fund during the financial period is disclosed in note 11 of the financial statements.

The values of the Fund's assets are disclosed on the Statement of Financial Position and derived using the basis set out in note 3 of the financial statements.

FEES PAID TO THE RESPONSIBLE ENTITY OR ITS ASSOCIATES

Fees paid to the Responsible Entity and its associates out of Fund assets during the financial period are disclosed in note 14 to the financial statements.

No fees were paid out of Fund assets to the Directors of the Responsible Entity during the financial period.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'A MacLachlan', with a long horizontal flourish extending to the right.

Alex MacLachlan

Chairman of Walsh & Company Investments Limited, Responsible Entity

27 August 2019



AUDITOR'S INDEPENDENCE DECLARATION

FOR THE PERIOD ENDED 30 JUNE 2019



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Walsh & Company Limited, the Responsible Entity of Evans
& Partners Australian Flagship Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Evans & Partners
Australian Flagship Fund for the period from 12 April 2018 to 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

J Davis

Jessica Davis

Partner

Sydney

27 August 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2019

| | NOTE | 2019 \$ |
|---|------|------------------|
| Investment income | | |
| Interest income | | 28,778 |
| Dividend income | | 1,537,955 |
| Other income | | 194 |
| Net movement on financial assets at fair value through profit or loss | | 2,416,212 |
| Total net investment income | | 3,983,139 |
| Expenses | | |
| Management and administration fees | 14 | (319,402) |
| Investment transaction costs | 14 | (52,068) |
| Total expenses | | (371,470) |
| Profit before income tax expense | | 3,611,669 |
| Income tax expense | | - |
| Profit after income tax expense for the period | | 3,611,669 |
| Other comprehensive income for the period, net of tax | | - |
| Total comprehensive income for the period | | 3,611,669 |
| | | CENTS |
| Basic earnings per unit | 6 | 21.14 |
| Diluted earnings per unit | 6 | 21.14 |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

| | NOTE | 2019 \$ |
|---------------------------|------|-------------------|
| Assets | | |
| Cash and cash equivalents | 7 | 1,311,234 |
| Receivables | 8 | 201,108 |
| Financial assets | 9 | 32,535,764 |
| Total assets | | 34,048,106 |
| Liabilities | | |
| Payables | 10 | 29,988 |
| Distributions payable | | 719,371 |
| Total liabilities | | 749,359 |
| Net assets | | 33,298,747 |
| Equity | | |
| Issued capital | 11 | 31,197,113 |
| Retained earnings | | 2,101,634 |
| Total equity | | 33,298,747 |

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

| | ISSUED CAPITAL \$ | RETAINED EARNINGS \$ | TOTAL EQUITY \$ |
|--|-------------------------|----------------------------|-----------------------|
| Balance at 12 April 2018 | – | – | – |
| Profit after income tax expense for the period | – | 3,611,669 | 3,611,669 |
| Other comprehensive income for the period, net of tax | – | – | – |
| Total comprehensive income for the period | – | 3,611,669 | 3,611,669 |
| Transactions with unitholders in their capacity as unitholders: | | | |
| Issued capital (note 11) | 32,602,195 | – | 32,602,195 |
| Unit buy-backs (note 11) | (655,314) | – | (655,314) |
| Issue and buy-back costs (notes 11 and 14) | (749,768) | – | (749,768) |
| Distributions paid (note 5) | – | (1,510,035) | (1,510,035) |
| Balance at 30 June 2019 | 31,197,113 | 2,101,634 | 33,298,747 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2019

| | NOTE | 2019 \$ |
|---|-----------|---------------------|
| Cash flows from operating activities | | |
| Interest income received | | 27,346 |
| Dividends received | | 1,343,928 |
| Payments to suppliers (inclusive of GST) | | (291,253) |
| Net cash from operating activities | 15 | 1,080,021 |
| Cash flows from investing activities | | |
| Payments for investments | | (39,681,251) |
| Proceeds from disposal of investments | | 9,505,821 |
| Net cash used in investing activities | | (30,175,430) |
| Cash flows from financing activities | | |
| Proceeds from issue of units | 11 | 31,689,393 |
| Payments for unit buy-backs | 11 | (656,993) |
| Distributions paid | 5 | (625,757) |
| Net cash from financing activities | | 30,406,643 |
| Net increase in cash and cash equivalents | | 1,311,234 |
| Cash and cash equivalents at the beginning of the financial period | | - |
| Cash and cash equivalents at the end of the financial period | 7 | 1,311,234 |

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Evans & Partners Australian Flagship Fund (**Fund**) is a registered managed investment scheme domiciled in Australia. The investment objective of the Fund is to provide investors with capital growth, attractive risk-adjusted returns and stable distributions over the medium to long-term through exposure to quality securities that are publicly traded on the Australian Securities Exchange (**ASX**).

The Fund was registered on 12 April 2018. Accordingly, there are no comparative balances and the current financial reporting period is from the date of registration to 30 June 2019. It is recommended that this financial report be read in conjunction with any public announcements made by the Fund during the period.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 August 2019. The directors have the power to amend and reissue the financial statements.

2. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to its operations and effective for the current period. These include:

- AASB 9 ‘Financial Instruments’, and the relevant amending standards
- AASB 15 ‘Revenue from Contracts with Customers’, AASB 2014-5 ‘Amendments to Australian Accounting Standards arising from AASB 15’, AASB 2015-8 ‘Amendments to Australian Accounting Standards – Effective Date of AASB 15’ and AASB 2016-3 ‘Amendments to Australian Accounting Standards – Clarifications to AASB 15’

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund’s financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund’s investments are held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Fund.

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts. There are no material changes to the timing or manner of recognition of the Fund’s key revenues as interest revenue, dividend and distribution income and investment gains/(losses) are excluded from the scope of AASB 15.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the current financial period that have a material impact on the Fund.

ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the Fund. The potential impact of the new or revised Standards and Interpretations has not yet been determined, but is not expected to be material.

Annual improvements to IFRS Standards 2015-2017 Cycle

The interpretation is applicable to annual reporting periods beginning on or after 1 January 2019. The adoption of this standard from 1 July 2019 will not have a material impact on the Fund.

Amendments to References to the Conceptual Framework in IFRS Standards

The standard is applicable to annual reporting periods beginning on or after 1 January 2020. The adoption of this standard from 1 July 2020 is yet to be determined.

3. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared on an accrual basis and are based on historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*. Compliance with Australian Accounting Standards ensures the financial statements and notes to the financial statements of the Fund comply with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

The following accounting policies have been adopted in the preparation and presentation of the financial report.

INVESTMENT INCOME

Dividend income

Dividend income is recognised when the right to receive a dividend has been established.

Interest income

Interest income is recognised in profit or loss using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Net change in fair value of investments

Realised and unrealised gains and losses on investments measured at fair value through profit or loss are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

TAXES

Income tax

Under current Australian income tax laws, the Fund is not liable to pay income tax provided its distributable income for each income year is fully distributed to unitholders, by way of cash or reinvestment.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

The Fund qualifies for reduced input tax credits at a minimum of 55%.

Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable.

Cash flows are presented in the Statement of Cash Flows on a gross basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

RECEIVABLES

Receivables include balances due from brokers, dividends and distributions receivable, reduced input tax credit receivable and other receivables. Amounts are generally received within 30 days of being accrued for. Receivable amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

The amount of the impairment loss is recognised in profit or loss within other operating expenses. When receivables for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other operating expenses in profit or loss.

FINANCIAL INSTRUMENTS

Financial instruments, incorporating financial assets and financial liabilities, are recognised on trade date, when the Fund becomes a party to the contractual provisions of the instrument.

The Fund classifies its investments based on its business model for managing those financial assets and their contractual cash flow characteristics. The Fund's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund evaluates the information about its investments on a fair value basis together with other related financial information.

The Fund holds financial assets comprising equity securities. These securities are mandatorily classified as fair value through profit or loss.

Financial assets

Financial assets at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Profit or Loss and Other Comprehensive Income. Subsequent to initial recognition, all financial assets held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income. Financial assets not at fair value through profit or loss, including receivables, are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue and are subsequently measured at amortised cost using the effective interest rate method and are assessed for impairment based on the expected credit loss model.

Financial liabilities

Financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in the Statement of Profit or Loss and Other Comprehensive Income. Financial liabilities not at fair value through profit or loss, including payables, are measured initially at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire.

Fair value

The fair value of equity securities traded in active markets is based on their quoted market prices at the end of the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and securities held by the Fund is the current bid price, and the quoted market price for financial liabilities is the current asking price.

ISSUED CAPITAL

Ordinary units

Ordinary units are classified as equity. Issued capital is recognised at the fair value of the consideration received by the Fund. Incremental costs directly attributable to the issue of the ordinary units are recognised as a deduction from equity.

Distributions to unitholders

Distributions to unitholders are recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the Board of the Responsible Entity on or before the end of the financial period. A distribution payable is recognised in the Statement of Financial Position where the amount is not yet distributed at balance date.

EARNINGS PER UNIT

Basic and diluted earnings per unit

Basic earnings per unit is determined by dividing the profit or loss excluding any cost of servicing equity other than ordinary units by the weighted average number of ordinary units outstanding during the financial period. Diluted earnings per unit is the same as basic earnings per unit because there are no dilutive potential ordinary units.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best-available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Fund. The expected credit loss (ECL) impairment model has not materially impacted the Fund.

4. OPERATING SEGMENTS

The Fund operates in Australia and is engaged solely in investing activities, generating capital growth and deriving revenue from dividend and distribution income and interest income.

5. DISTRIBUTIONS PAID

Distributions declared during the financial period were as follows:

| | 2019 |
|---|------------------------|
| | \$ |
| Cash distribution - 3.9 cents per unit paid 4 February 2019 | 790,664 |
| Cash distribution - 3.6 cents per unit paid 2 August 2019 | 719,371 |
| | <hr/> 1,510,035 |

DISTRIBUTION REINVESTMENT PLAN (DRP)

The Fund's DRP was available to eligible unitholders during the period ended 30 June 2019.

Under the terms of the DRP, eligible unitholders are able to elect to reinvest all or part of their cash distributions in additional units in the Fund. Units are issued and/or transferred to DRP participants at a price that is determined by the Responsible Entity in accordance with the DRP Rules.

Investors who participated in the DRP received units at an issue price that includes a 5% discount to the Net Asset Value per unit. The full cost of the discount will be paid for by the Responsible Entity in its personal capacity and is recognised as a receivable in the Statement of Financial Position.

6. EARNINGS PER UNIT

| | 2019 \$ |
|---|---------------|
| Profit after income tax | 3,611,669 |
| | NUMBER |
| Weighted average number of ordinary units used in calculating basic earnings per unit | 17,087,017 |
| Weighted average number of ordinary units used in calculating diluted earnings per unit | 17,087,017 |
| | CENTS |
| Basic earnings per unit | 21.14 |
| Diluted earnings per unit | 21.14 |

7. CASH AND CASH EQUIVALENTS

| | 2019 \$ |
|--------------|------------|
| Cash at bank | 1,311,234 |

8. RECEIVABLES

| | 2019 \$ |
|-----------------------|----------------|
| Dividends receivables | 194,027 |
| Interest receivable | 1,432 |
| GST receivable | 5,649 |
| | 201,108 |

9. FINANCIAL ASSETS

| | |
|-----------------------------|-------------|
| | 2019 |
| | \$ |
| Equity investments – listed | 32,535,764 |

Refer to note 13 for further information on fair value measurement.

The market values of the individual investments held at the end of the reporting period are set out immediately before the Unitholder Information.

10. PAYABLES

| | |
|----------------|-------------|
| | 2019 |
| | \$ |
| Trade payables | 29,988 |

Refer to note 12 for further information on financial instruments.

11. ISSUED CAPITAL

| | | |
|-----------------------------|--------------|-------------|
| | 2019 | 2019 |
| | UNITS | \$ |
| Ordinary units – fully paid | 19,982,492 | 31,197,113 |

Movements in ordinary unit capital

| | DATE | UNITS | \$ |
|---|----------------------|-------------------|-------------------|
| Balance | 12 April 2018 | – | – |
| Issue of ordinary units at \$1.60 per unit | 21 June 2018 | 20,273,426 | 32,437,482 |
| Issue of ordinary units at \$1.41 per unit (distribution reinvested) | 4 February 2019 | 116,818 | 164,713 |
| Unit buy-backs | | (407,752) | (655,314) |
| Issue and buy-back costs | | – | (749,768) |
| Balance | 30 June 2019 | 19,982,492 | 31,197,113 |

ORDINARY UNITS

All issued units are fully paid. The holders of ordinary units are entitled to one vote per unit at meetings of the Fund and are entitled to receive distributions declared from time to time by the Responsible Entity.

UNIT BUY-BACK

There is a current on-market unit buy-back.

CAPITAL RISK MANAGEMENT

The Fund manages its capital to ensure it will be able to continue as a going concern while maximising the return to unitholders. The capital structure of the Fund consists of issued capital net of issue costs amounting to \$31,197,113 as at 30 June 2019. The Fund is not subject to any externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT

The Fund's financial instruments primarily comprise of listed equity investments. The Fund's investment objective is to achieve capital growth, attractive risk-adjusted returns and stable distributions over the medium to long-term through exposure to quality ASX listed securities, in accordance with its investment strategy (as stipulated in the Fund's current Product Disclosure Statement and Constitution). The main risks the Fund is exposed to through its financial instruments are market risk (including equity price risk and interest rate risk), credit risk and liquidity risk.

The Responsible Entity has overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring risk management policies.

MARKET RISK

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual securities. The equity price risk exposure arises from the Fund's investments in equity securities. The Investment Manager manages the Fund's equity price risk in accordance with the Fund's investment objectives and policies, as detailed in the current Product Disclosure Statement.

As the majority of the Fund's financial instruments are carried at fair value with changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income, all changes in market conditions will directly affect investment income.

The following table illustrates the effect on profit before tax and equity from possible changes in the value of equity investments, with all other variables remaining constant.

| | AVERAGE PRICE INCREASE | | | AVERAGE PRICE DECREASE | | |
|--------------------|------------------------|-----------------------------------|------------------------|------------------------|-----------------------------------|------------------------|
| | % CHANGE | EFFECT ON PROFIT BEFORE TAX | EFFECT ON EQUITY | % CHANGE | EFFECT ON PROFIT BEFORE TAX | EFFECT ON EQUITY |
| 2019 | | | | | | |
| Equity investments | 5% | 1,626,788 | 1,626,788 | (5%) | (1,626,788) | (1,626,788) |

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to interest rate risk on its variable rate cash deposits. The Fund currently does not hedge against this exposure.

The Fund's exposure to interest rate risk is limited to cash deposits. At 30 June 2019, approximately 96.1% of the financial assets were non-interest bearing and 3.9% of the financial assets were at a floating rate, represented by the cash and cash equivalents balance on the Statement of Financial Position.

The Fund does not hold significant cash balances exposed to interest rates in other currencies and does not have any borrowings or other financial liabilities or assets with direct exposure to changes in interest rates and accordingly is not exposed to material interest rate risk.

CREDIT RISK

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund. The Fund is exposed to credit risk primarily from cash and cash equivalents. Other credit risk arising from outstanding settlements is considered small due to the short settlement period involved.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers relevant, historical analysis and forward looking information in determining any expected credit losses. At the reporting date, all receivables and cash and cash equivalents are held with approved counterparties and are either callable on demand or due within 30 days. Management considers the probability of default to be low and, as a result, no loss allowance has been recognised based on 12 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A or higher (as determined by Standard & Poor's).

Receivables for securities sold

All transactions in listed securities are settled upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment from the counterparty.

LIQUIDITY RISK

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Fund.

The Fund's exposure to liquidity risk is minimal. The risk is managed by ensuring that sufficient cash and cash equivalents is maintained to meet ongoing operating requirements and investments are primarily held in actively traded markets. The majority of the Fund's listed securities are considered readily realisable as they are listed on ASX.

Remaining contractual maturities

The following are contractual maturities of financial liabilities:

| 2019 | 6 MONTHS OR LESS \$ | 6 MONTHS TO 1 YEAR \$ | REMAINING CONTRACTUAL MATURITIES \$ |
|------------------------------|---------------------------|-----------------------------|--|
| Non-interest bearing | | | |
| Payables | (29,988) | - | (29,988) |
| Distributions payable | (719,371) | - | (719,371) |
| Total non-derivatives | (749,359) | - | (749,359) |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

13. FAIR VALUE MEASUREMENT

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the Statement of Financial Position and in the notes to the financial statements.

The fair values of:

- other assets and other liabilities approximate their carrying value;
- listed securities included in “Equity Investments” are readily traded on ASX in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted sale price as at the end of the reporting period.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs in making the measurements:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: unobservable inputs for the asset or liability.

| | LEVEL 1 | LEVEL 2 | LEVEL 3 | TOTAL |
|---|-------------------|----------|----------|-------------------|
| 2019 | \$ | \$ | \$ | \$ |
| Financial assets at fair value through profit or loss and other comprehensive income | | | | |
| Equity investments – listed | 32,535,764 | – | – | 32,535,764 |
| Total assets | 32,535,764 | – | – | 32,535,764 |

There were no transfers between levels during the financial period.

14. RELATED PARTY TRANSACTIONS

RELATED PARTY INVESTMENTS IN THE FUND

The Responsible Entity or its associates does not hold any investments in the Fund.

RESPONSIBLE ENTITY AND ADMINISTRATION FEES

The Responsible Entity’s duties include establishing the compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund. As Responsible Entity, Walsh & Company Investments Limited charges a fee of 0.33% per annum (exclusive of GST) of the gross asset value of the Fund, representing a Responsible Entity fee of 0.08% (exclusive of GST) per annum and an Administration fee of 0.25% per annum (exclusive of GST).

Total Responsible Entity and Administration fees paid or payable to the Responsible Entity for the period ended 30 June 2019 were \$98,536, exclusive of GST.

STRUCTURING AND HANDLING FEES

The Responsible Entity charged a Structuring Fee of 0.75% (exclusive of GST) on the gross proceeds raised under the Product Disclosure Statement dated 13 April 2018.

Total Structuring fees paid or payable to the Responsible Entity for the period ended 30 June 2019 were \$243,281, exclusive of GST.

Dixon Advisory Group Limited and Evans & Partners Pty Limited, related parties of the Responsible Entity, in their capacity as licensees in the capital raising of the Fund, received a Handling fee of 1.50% (exclusive of GST) on the gross proceeds raised, under the relevant Product Disclosure Statements.

Total Handling fees paid or payable to the related parties of the Responsible Entity for the period ended 30 June 2019 were \$486,562, exclusive of GST.

INVESTMENT MANAGEMENT FEES

The Investment Manager provides investment management services to the Fund, including overseeing the assessment of market conditions and investment opportunities, the selection and recommendation of investments, monitoring the Funds' investment portfolio, and determining and recommending the retention or sale of investment in the Fund's portfolio.

In connection with the provision of services as Investment Manager, Evans and Partners Investment Management Pty Limited, a related party of the Responsible Entity, receives an Investment Management fee of 0.65% per annum (exclusive of GST) of the gross asset value of the Fund's portfolio.

Total Investment Management fees paid or payable to the related party of the Responsible Entity for the period ended 30 June 2019 were \$211,151, exclusive of GST.

BROKERAGE FEES

Dixon Advisory & Superannuation Services Limited, a related party of the Responsible Entity, is engaged as a broker by the Fund and receives brokerage of 0.25% on all transactions undertaken as part of the Fund's buy-back program.

Total brokerage fees paid or payable to the related party of the Responsible Entity for the period ended 30 June 2019 were \$1,638, exclusive of GST.

INVESTMENT TRANSACTION COSTS

Evans & Partners Pty Ltd, a related party of the Responsible Entity, receives brokerage of 0.10% (excluding GST) on all transactions in Australian equities undertaken by the Fund.

Total investment transaction costs paid or payable to the related party of the Responsible Entity for the period ended 30 June 2019 were \$50,798, exclusive of GST.

CUSTODIAL SERVICES

Effective 18 March 2019, the Responsible Entity changed the Fund's custodian and entered into a custody arrangement with Walsh & Company Investments Limited in its personal capacity (**Custodian**) to provide custodial services to the Fund. The Responsible Entity has agreed to bear the cost of the custodial services and, as such, there were no custody fees paid out of the assets of the Fund.

FUND ADMINISTRATION SERVICES

Australian Fund Accounting Services Pty Limited, a related party of the Responsible Entity, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. The Responsible Entity has agreed to bear the cost of the fund administration services and, as such, there were no fund administration fees paid out of the assets of the Fund.

15. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

| | 2019 \$ |
|---|------------------|
| Profit after income tax expense for the period | 3,611,669 |
| Adjustments for: | |
| Net loss on financial assets at fair value through profit or loss | (2,416,212) |
| Investment transaction costs, including GST | 55,878 |
| Other income | (194) |
| Change in operating assets and liabilities: | |
| Increase in receivables | (201,108) |
| Increase in payables | 29,988 |
| Net cash from operating activities | 1,080,021 |

16. REMUNERATION OF AUDITOR

During the financial period, the following fees were paid or payable for services provided by KPMG, the auditor of the Fund:

| | 2019 \$ |
|---|---------------|
| Audit services – KPMG | |
| Audit or review of the financial statements | 30,200 |
| Other services – KPMG | |
| Taxation services | 5,000 |
| | 35,200 |

Walsh & Company Investments Limited, the Responsible Entity of the Fund, has agreed to bear the fees for the audit and other services paid to KPMG for the reporting period.

17. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

DIRECTORS' DECLARATION

30 JUNE 2019

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 30 June 2019 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Alex MacLachlan

Chairman of Walsh & Company Investments Limited, Responsible Entity

27 August 2019



INDEPENDENT AUDITOR'S REPORT

FOR THE PERIOD ENDED 30 JUNE 2019



Independent Auditor's Report

To the unitholders of Evans & Partners Australian Flagship Fund

Opinion

We have audited the **Financial Report** of Evans & Partners Australian Flagship Fund (the Fund).

In our opinion, the accompanying Financial Report of the Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its financial performance for the period from 12 April 2018 to 30 June 2019; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2019
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the period from 12 April 2018 to 30 June 2019
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Fund in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation, existence and completeness of financial assets at fair value through profit or loss (\$33m)

Refer to Note 9 to the Financial Report

| The key audit matter | How the matter was addressed in our audit |
|--|--|
| <p>Financial assets at fair value through profit or loss comprise investments in listed Australian securities (investments).</p> <p>Valuation, existence and completeness of investments is a key audit matter due to:</p> <ul style="list-style-type: none"> • 28 holdings in listed Australian securities (level 1 securities) amounting to \$33m which represents 96% of total assets; • the degree of audit effort and resources involved in gathering sufficient appropriate audit evidence on the valuation, existence and completeness of investments; • the Fund outsourced certain processes and controls relevant to recording and valuing investments to a custodian for the period from 12 April 2018 to the date custodial functions were transferred to Walsh & Company Investments Limited (the Responsible Entity); • the risk of investments being recorded in the incorrect period due to the timing between the trade and settlement dates of investments purchased and sold. We focused on investments purchased and sold around the end of the reporting period; and • the importance of the performance of these investments in driving the Fund's investment income and capital performance. | <p>Our procedures included:</p> <p>For the period from 12 April 2018 to the date custodial functions were transferred to Walsh & Company Investments Limited (the Responsible Entity):</p> <ul style="list-style-type: none"> • obtained the custodian's GS007 (<i>Guidance Statement 007 Audit Implications of the User of Service Organisations for Investment Management Services</i>) independent assurance report to understand the custodian's processes and assess controls to record and value the Fund's investments; and <p>For the period from the date custodial functions were transferred to the Responsible Entity to 30 June 2019:</p> <ul style="list-style-type: none"> • obtained an understanding of the processes and assessed controls in relation to the custodial functions within the Responsible Entity to record and value the Fund's investments; • checked the accuracy of the transfer of investments from the custodian's underlying records to the Responsible Entity; • checked the trade dates for a sample of investments purchased and sold from the Fund's list of trades to underlying trade confirmations from counterparties. We did this to check the ownership and quantity of the investments held by the Fund; • for a sample of investments purchased and sold before end of reporting period, obtained from the Fund's list of trades, we checked the trade dates to underlying trade confirmations |



| | |
|--|---|
| | <p>from counterparties and amounts settled to the Fund's bank statements to assess the period the investment is recognised or derecognised;</p> <ul style="list-style-type: none">• for a sample of transactions subsequent to the end of the reporting period obtained from the Fund's bank statements, we checked the underlying trade confirmations from counterparties to assess the period the investment is recognised or derecognised; and• checked the valuation of investment holdings recognised by the Fund to the last traded share price on the Australian Securities Exchange on the reporting date. |
|--|---|

Other Information

Other Information is financial and non-financial information in Evans & Partners Australian Flagship Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Walsh & Company Investments Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Walsh & Company Investments Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Jessica Davis

Partner

Sydney

27 August 2019

INVESTMENTS AT MARKET VALUE

AS AT 30 JUNE 2019

| INVESTMENTS | MARKET VALUE \$ | % OF TOTAL |
|---|-----------------------|---------------|
| Afterpay Touch Group Ltd | 767,067 | 2.36% |
| Alumina Ltd | 557,192 | 1.71% |
| Amcor Limited | 681,955 | 2.10% |
| Aristocrat Leisure Limited | 1,374,259 | 4.22% |
| Australia And New Zealand Banking Group Limited | 2,016,930 | 6.20% |
| BHP Group Ltd | 3,047,363 | 9.37% |
| Commonwealth Bank Of Australia | 2,873,045 | 8.83% |
| Computershare Ltd | 591,325 | 1.82% |
| Crown Resorts Ltd | 578,066 | 1.78% |
| CSL Ltd | 2,512,490 | 7.72% |
| IDP Education Ltd | 585,429 | 1.80% |
| James Hardie Industries Plc | 612,836 | 1.88% |
| Macquarie Group Ltd | 1,474,712 | 4.53% |
| Oil Search Ltd | 610,862 | 1.88% |
| Qube Holdings Ltd | 582,251 | 1.79% |
| REA Group Ltd | 724,142 | 2.23% |
| Reliance Worldwide Corporation Limited | 572,739 | 1.76% |
| Rio Tinto Ltd | 912,984 | 2.81% |
| Seek Ltd | 793,733 | 2.44% |
| Stockland Corporation Ltd | 637,656 | 1.96% |
| Sydney Airport Holdings Pty Ltd | 1,028,429 | 3.16% |
| Transurban Group | 1,393,888 | 4.28% |
| Unibail Rodamco Westfield | 550,102 | 1.69% |
| Wesfarmers Ltd | 1,280,534 | 3.94% |
| Westpac Banking Group | 2,637,423 | 8.11% |
| Woodside Petroleum Ltd | 1,656,307 | 5.09% |
| Woolworths Group | 726,142 | 2.23% |
| Xero Ltd | 755,903 | 2.32% |
| Total Portfolio Value | 32,535,764 | 100% |

TRANSACTIONS

The total number of transactions in the Fund securities during the reporting period was 166.

UNITHOLDER INFORMATION

AS AT 31 JULY 2019

The unitholder information set out below was applicable as at 31 July 2019.

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

| | NUMBER OF HOLDERS OF ORDINARY UNITS |
|--|--|
| 1,001 to 5,000 | 96 |
| 5,001 to 10,000 | 263 |
| 10,001 to 100,000 | 586 |
| 100,001 and over | 10 |
| | 955 |
| Holding less than a marketable parcel | – |

EQUITY SECURITY HOLDERS

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest security holders of quoted equity securities are listed below:

| | ORDINARY UNITS | % OF TOTAL UNITS ISSUED |
|---|----------------|----------------------------------|
| | NUMBER HELD | |
| ZONDA CAPITAL PTY LTD FLINDERS FAMILY A/C | 625,000 | 3.13 |
| ZONDA SUPER PTY LTD ZONDA SUPER FUND A/C | 625,000 | 3.13 |
| MR ORANGE PTY LIMITED | 625,000 | 3.13 |
| ATTUNGA SUPER PTY LTD ATTUNGA SUPER FUND A/C | 312,500 | 1.56 |
| JACKAZZAN PTY LTD M A JACKSON SUPER FUND A/C | 312,500 | 1.56 |
| CRIMSON PERMANENT ASSURANCE COMPANY PTY LTD S DYKES & R MAGUIRE S/F A/C | 218,750 | 1.09 |
| YIREMBA PTY LTD YIREMBA PTY LTD S/FUND A/C | 125,000 | 0.63 |
| MELPEAT PTY LTD CRAWFORD SUPER FUND A/C | 125,000 | 0.63 |
| MALEIGH PTY LTD L MATTHEWS SUPER FUND A/C | 125,000 | 0.63 |
| MR DAMIEN JOSEPH KENNEALLY & MRS CANDACE LYNN KENNEALLY THE KENNEALLY FAMILY S/F A/C | 115,611 | 0.58 |
| MJG BLOOM PTY LIMITED MICHAEL BLOOM SUPER FUND A/C | 100,000 | 0.50 |
| BOBBY T PTY LTD BOBBY T SUPER FUND A/C | 96,343 | 0.48 |
| MRS RUTH MARGARET APPLETON | 94,000 | 0.47 |
| WENDALOO PTY LTD TOM KELLY SUPER FUND A/C | 93,750 | 0.47 |
| FRANCIS PARK PTY LTD JOBLING SUPER FUND A/C | 93,750 | 0.47 |

| | NUMBER HELD | % OF TOTAL UNITS ISSUED |
|---|------------------|----------------------------------|
| MR PHILIP STEPHEN CALLANDER & MRS KERRY ROBIN CALLANDER | 93,750 | 0.47 |
| DR PAUL JOHN EDWARD BEINAT & MRS ROSALIND GAY BEINAT BEINAT SUPER FUND A/C | 78,750 | 0.39 |
| MR ROBERT JAMES BAILLIE | 78,750 | 0.39 |
| PROFESSOR NEVILLE WALLER REES & DR BETTYE JEANETTE REES | 78,750 | 0.39 |
| PJ & MM HOULIHAN PTY LTD P & M HOULIHAN S/FUND A/C | 77,500 | 0.39 |
| | 4,094,704 | 20.49 |

UNQUOTED EQUITY SECURITIES

There are no unquoted equity securities.

SUBSTANTIAL HOLDERS

There are no substantial holders in the Fund.

VOTING RIGHTS

The voting rights attached to ordinary units are set out below:

ORDINARY UNITS

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each unit shall have one vote.

There are no other classes of equity securities.

MANAGEMENT AGREEMENT SUMMARY

Evans and Partners Investment Management Pty Limited (ACN 619 080 045) (**Investment Manager**) has been appointed to act as investment manager for the Evans & Partners Australian Flagship Fund (**Fund**) under an Investment Management Agreement (**Investment Management Agreement** or **IMA**) dated 12 April 2018 between Evans and Partners Investment Management Pty Limited as the Investment Manager and Walsh & Company Investments Limited (**Responsible Entity**) as Responsible Entity of the Fund.

The IMA is for an Initial Term commencing on the date of the agreement, 12 April 2018, and expiring on the date 10 years after the commencement date, unless terminated earlier in accordance with its terms.

Under the IMA, the Investment Manager is entitled to be paid a monthly management fee of up to 2% (exclusive of GST) per annum of the gross asset value of the Portfolio calculated at the end of the month and a performance fee of 20% of the return achieved above the higher of the Index Return and Absolute Return Hurdle. On 13 April 2018, the Investment Manager has agreed to receive a reduced investment management fee of 0.65% (exclusive of GST) per annum of the gross asset value of the Fund and to waive the performance fees until further notice.

CORPORATE DIRECTORY

The Fund's units are quoted on the official list of Australian Securities Exchange (**ASX**).

The ASX code is EFF

RESPONSIBLE ENTITY

Walsh & Company Investments Limited

(ACN 152 367 649) (AFSL 410 433)

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www.walshandco.com.au

DIRECTORS

Alex MacLachlan
Warwick Keneally
Mike Adams

SECRETARIES

Hannah Chan
Caroline Purtell

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BANKER

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EVANS & PARTNERS

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