

### INVESTMENT OBJECTIVE

To provide investors with capital growth, attractive risk-adjusted returns, and stable distributions over the long term through exposure to quality Australian equities that are well positioned to deliver sustainable earnings growth and returns on capital.

### PORTFOLIO UPDATE

The Evans & Partners Australian Flagship Fund (Fund) declined 2.0% in December, marginally outperforming the S&P/ASX 200 Accumulation Index. The Australian equity market returned 23.4% for the full year, whilst the Fund returned 26.2%.

Market weakness in December was relatively broad-based, with Materials (+2%) and Utilities (+1%) the only sectors delivering positive returns. Within Materials, the diversified miners' performance was relatively strong as sentiment around the US-China trade tensions improved. Consumer Staples (-8%) and Communication Services (-6%) were the worst performing sectors. Two of the market's largest stocks, Woolworths (-9%) and Telstra (-8%), were the main drivers behind this weakness, with the former being especially hard hit, seeing an ongoing issue over the underpayment of staff. We expect the market to consolidate in early January, while the impact of Christmas trading conditions will become clearer as we move into the February interim reporting season where full-year outlook comments will be firmed or revised.

Only three stocks in the Fund delivered positive returns in the month – Rio Tinto (+4%), Amcor (+2%) and BHP (+2%). Crown Resorts (-7%), Afterpay (-7%) and Woolworths were the worst performers.

### PORTFOLIO MANAGERS



**Ben Chan**  
Portfolio Manager

**Adam Alexander**  
Portfolio Manager

NTA per unit  
**\$1.71**

Unit price (EFF)  
**\$1.74**

Gross assets  
**\$30.2 MILLION**

12-month distribution yield (target: 5%)  
**4.4%**

Annualised performance since inception (21 June 2018)<sup>1</sup>  
**11.5%**

### FUND PERFORMANCE<sup>1</sup>

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (P.A.)
NTA	-2.0%	1.9%	5.4%	26.2%	-	-	11.5%
S&P/ASX 200 Accumulation Index	-2.2%	0.7%	3.1%	23.4%	-	-	9.3%
Excess Return	0.1%	1.3%	2.3%	2.8%	-	-	2.2%

Note: Numbers may not sum due to rounding.

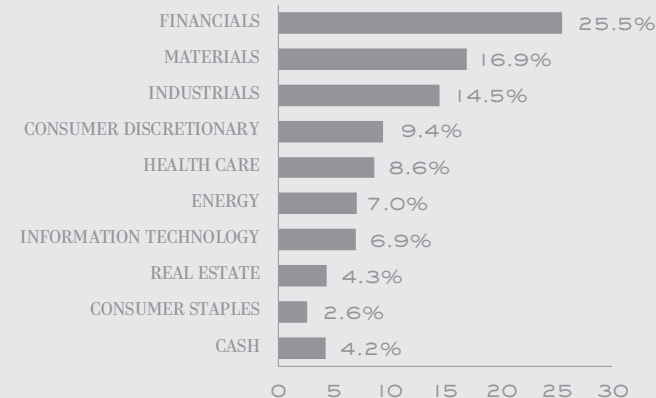
### TOP 10 HOLDINGS

ANZ Banking Group	National Australia Bank Ltd
BHP Group Ltd	Sydney Airport
Commonwealth Bank of Australia	Transurban Group
CSL Ltd	Wesfarmers Ltd
Macquarie Group Limited	Woodside Petroleum Limited

### PERFORMANCE CHART<sup>1</sup>



### SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 31 December 2019 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 21 June 2018. Chart data range: 21 June 2018 to 31 December 2019. Initial index value 1,000. Index Source: Bloomberg.





## ABOUT WALSH & COMPANY

Walsh & Company, part of the Evans Dixon Group, is a multibillion-dollar global funds management firm founded in 2007, with assets under management across global equities, residential and commercial property, private equity, fixed income, and sustainable and social investments. It provides access to unique investment strategies not readily accessible to investors and focuses on building high-quality, diversified portfolios.

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## IMPORTANT INFORMATION

This report has been authorised for release by the Board of Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433), as responsible entity for the Evans & Partners Australian Flagship Fund (**Fund**) (ARSN 625 303 068).

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 Fund.

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Past performance of the Fund is not a reliable indicator of the future performance of the Fund.

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