

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) rose 5.1% in May, outperforming the S&P/ASX 200 Accumulation Index (Index, up 4.4%) which continued to recover from the severe COVID-19 related market correction in March. With the exception of Healthcare (-5%) and Consumer Staples (-0.4%), all sectors recorded positive gains – the strongest being Information Technology (+15%), Communication Services (+8%) and Materials (+8%). Although the state of the economy post COVID-19 remains uncertain, it appears that stocks were repriced under overly pessimistic assumptions. With the tailwind of government stimulus and lockdown restrictions easing, investors are increasingly looking to an eventual recovery and enthusiasm is returning to the market.

Afterpay (+52%) was the strongest performing investment for the month. The lockdown has driven a significant shift to online shopping and resulted in notable demand from both consumers and merchants for Afterpay's service. The announcement that Chinese firm Tencent had acquired a 5% ownership stake in Afterpay provides further validation to the platform and opens the possibility of a longer-term expansion into China.

Qube Holdings (+25%), Stockland (+24%), James Hardie (+16%) and Seek (+16%) also performed strongly in May. Underperformers included CSL (-11%), Sydney Airport (-7%) and Crown Resorts (-5%).

PORTFOLIO MANAGERS



Ben Chan
Portfolio Manager

Adam Alexander
Portfolio Manager

NTA per unit \$1.48	Unit price (EFF) \$1.35	Gross assets \$22.6 MILLION	12-month distribution yield (target: 5%) 5.3%	Annualised performance since inception (21 June 2018) ¹ 0.9%
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FUND PERFORMANCE¹

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (P.A.)
NTA	5.1%	-11.1%	-15.7%	-6.3%	-	-	0.9%
S&P/ASX 200 Accumulation Index	4.4%	-9.9%	-14.6%	-6.7%	-	-	0.0%
Excess Return	0.8%	-1.2%	-1.1%	0.4%	-	-	0.9%

Note: Numbers may not sum due to rounding.

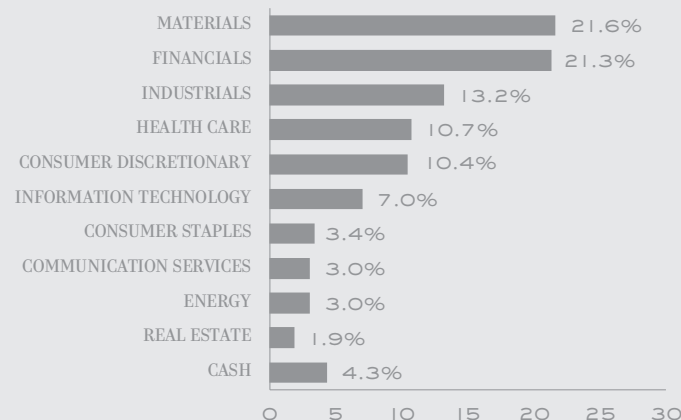
TOP 10 HOLDINGS

ANZ Banking Group	National Australia Bank Ltd
BHP Group Ltd	Transurban Group
Commonwealth Bank of Australia	Wesfarmers Ltd
CSL Ltd	Woolworths Group
Macquarie Group Limited	Xero Ltd

PERFORMANCE CHART¹



SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 31 May 2020 unless stated. Numbers may not sum due to rounding. 1. All returns are total returns, inclusive of reinvested distributions. NTA returns are net of fees and costs. Past performance is not a reliable indicator of future performance. Inception 21 June 2018. Chart data range: 21 June 2018 to 31 May 2020. 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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