

# EVANS & PARTNERS GLOBAL DISRUPTION FUND

## INVESTMENT OBJECTIVE

To provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

## PORTFOLIO UPDATE

The Evans & Partners Global Disruption Fund (Fund) returned 31.7% on an NTA basis for the year to 30 June 2020 (FY20), outperforming the MSCI AC World Index (Index) which rose 3.9%. Since inception, the Fund has returned 23.9% per annum (p.a.), well ahead of the broader Index.

Global markets were extremely volatile during FY20. For the six months to 31 December 2019 markets rose 8.7%, underpinned by easing monetary conditions, stable economic data and the signing of a “phase-one” US-China trade deal in December. However, in the March quarter global equities declined by 9.3% (-21.4% in USD terms), the weakest quarterly performance since 2008. This was driven by the spread of COVID-19 and subsequent shutdown measures imposed to contain the outbreak, which resulted in many service sectors shutting and a surge in unemployment as millions of workers were retrenched and furloughed. In response, a number of policy measures – unprecedented in both size and speed – were announced to cushion the blow. Markets rebounded strongly in the June quarter, rising 5.6% (+19.4% in USD) driven by global stimulus measures, optimism on clinical trials for drugs to treat COVID-19, improving new infection data and lock-down measures easing.

For the 6 months to 30 June 2020 global markets declined 4.4%, with the Technology (+14.6%) and Healthcare sectors (+4.5%) outperforming while Energy (-32.2%) and Financials (-21.7%)

underperformed. During this period the Fund performed strongly (+22.3%), outperforming the Index by 26.7% and the Technology sector by 7.9% (as measured by the MSCI AC World Information Technology Index). We believe that disruption and innovation accelerate in uncertain times as consumers and businesses are forced to change their behaviour and adopt cheaper and more efficient ways of doing things. In our view, COVID-19 and subsequent shutdown measures have highlighted the importance of global technology platforms while also accelerating a number of disruption themes. This includes the shift to cloud computing, adoption of software as businesses accelerate their digital transformation, increased ecommerce, digital payments, digital communication and entertainment.

For the Fund, the best performers for FY20 were Afterpay (+143%), Zoom Video (+190%), ASML (+81%), Spotify (+80%) and The Trade Desk (+82%), while the largest positive contributors to returns were Microsoft (+57%), Amazon (+48%), Alphabet (+33%), ASML and Alibaba (+30%). Uber (-32%), Square (-28%) and Disney (-18%), all businesses that are exposed to physical consumer interaction, underperformed.

The largest detractors included Uber (-32%) and holdings subsequently sold; Square (-28%) and Disney (-18%) – all businesses with exposure to physical consumer interaction.

Throughout 2020 the Responsible Entity (RE) has maintained active buyback and capital management initiatives. As COVID-19 unfolds across global markets, the RE will continue to explore strategies to enhance the Fund's efficiency and liquidity. Further updates will be provided to investors as appropriate.

NTA per unit  
**\$2.70**

Unit price (EGD)  
**\$2.61**

Gross assets  
**\$280.4 MILLION**

12-month distribution  
yield  
**5.6%**

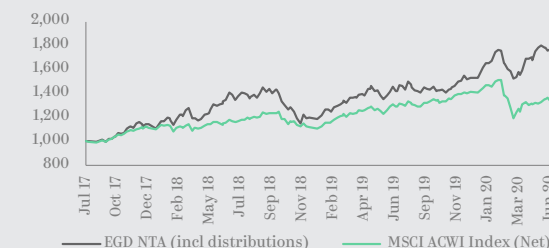
## FUND PERFORMANCE<sup>1</sup>

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	2 YEARS	5 YEARS	SINCE INCEPTION (PA)
NTA (%)	5.0%	18.6%	22.3%	31.7%	17.7%	-	23.9%
MSCI AC World Index (Net, AUD (%))	-0.5%	5.6%	-4.4%	3.9%	7.6%	-	10.6%
Excess return	5.5%	13.0%	26.7%	27.8%	10.1%	-	13.3%

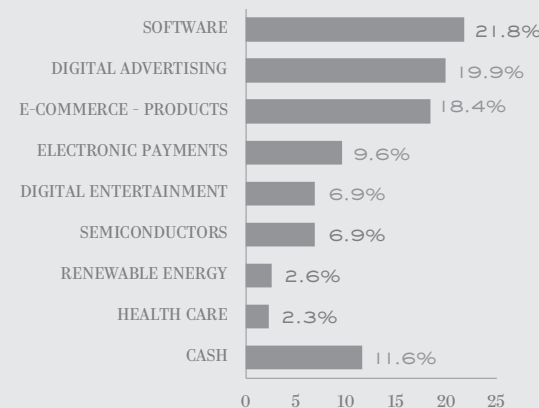
Note: Numbers may not sum due to rounding.

## TOP 10 PORTFOLIO HOLDINGS PERFORMANCE CHART<sup>1</sup>

Adobe	Facebook Inc
Alibaba	Microsoft Corp
Alphabet Inc	PayPal Holdings Inc
Amazon.com Inc	Salesforce.com Inc
ASML Holding	Tencent Holdings Ltd

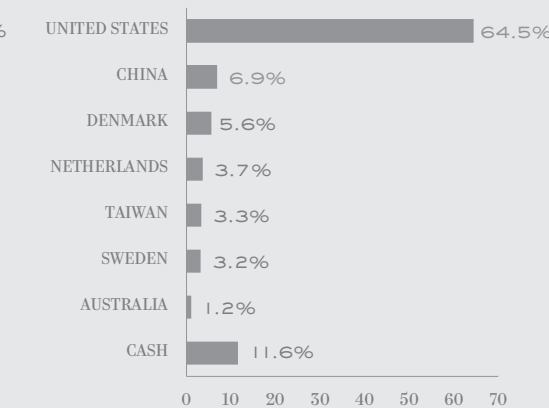


## SECTOR EXPOSURE



Source: Investment Manager, internal classification

## COUNTRY EXPOSURE



Source: Bloomberg, Country of Domicile

Notes: Data at 30 June 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. Due to the change in the composition of the Fund and of the MSCI ACWI Information Technology Index over the prior 12 months, it is no longer shown as a comparable index. Past performance is not a reliable indicator of future performance. Inception 25 July 2017. Chart data range: 25 July 2017 to 30 June 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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## PORTFOLIO MANAGER



Raymond Tong  
Portfolio Manager

## IMPORTANT INFORMATION

This report has been authorised by Walsh & Company Asset Management Pty Limited (Walsh AM) (ACN 159 902 708, AFSL 450 257) as investment manager for the Australian Governance & Ethical Index Fund (AGM) (ARSN 625 826 646), together with Evans and Partners Investment Management Pty Limited (EaP IM) (ACN 619 080 045, CAR No. 1255264), as investment manager for the Evans & Partners Asia Fund (EAF) (ARSN 624 216 404), Evans & Partners Australian Flagship Fund (EFF) (ARSN 625 303 068), Evans & Partners Global Flagship Fund (EGF) (ARSN 158 717 072) and Evans & Partners Global Disruption Fund (EGD) (ARSN 619 350 042). EaP IM and Walsh AM are together referred to as 'Investment Manager'. AGM, EAF, EFF, EGF and EGD are together referred to as 'Funds'.

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