

## INVESTMENT OBJECTIVE

To provide investors with capital growth and attractive risk-adjusted returns over the long-term through exposure to a portfolio of global listed equities.

## PORTFOLIO UPDATE

The MSCI World Index rose 4.6% in the 12 months to 30 June 2020 (FY20), with three distinct phases of boom, bust, and recovery. Stock markets were strong through the first eight months, then very weak as COVID-19 spread globally, and have recently recovered to near all-time highs. The high variation made investing challenging – completely different strategies were needed through the period, resulting in most investments swinging between outperformance and underperformance.

The Evans & Partners Global Flagship Fund (Fund) rose by 3.9% for FY20. The Fund was broadly neutral on market risk through the first period of strong markets, then became more defensive as COVID-19 spread. To reduce risk, exposure to pharmaceutical stocks, consumer staple goods like yoghurt and cleaning products, and clean energy providers was lifted. Cash levels were also increased to our maximum of 10%. These moves resulted in effective preservation of capital in the downturn. However, also resulted in underperformance as stocks rebounded strongly from the trough in March.

The best performing stocks in the Fund included Apple (+90%), Microsoft (+57%) and ASML (+81%). Apple's performance was driven by effective monetisation of its user base and conservative expectations for future growth whilst Microsoft posted record results driven by their cloud business, as remote working became commonplace

worldwide. ASML, which provides equipment that enables ever-smaller electronic chips to be manufactured, saw growth driven by technological advancements and strong demand for its new EUV technology.

Detractors to performance included Royal Dutch Shell (-46%), as oil prices collapsed with demand for travel; Airbus (-49%) as travel restrictions hit demand for new planes; and Anheuser Busch (-42%), which saw beer sales collapse as bars closed and sporting events were cancelled.

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.

In response to the current volatile environment, the Fund exited McDonald's, due to concern over the solvency of franchise owners, and invested into Dollar General, a US grocery chain serving lower income customers in regional areas. Other portfolio changes included the sale of Allianz insurance, Applied Materials, Fresenius Medical Care, and Pfizer. We replaced these stocks with AXA insurance, Adobe software, and IQVIA.

We see strong investment opportunities in the market, but we think that a conservative position is wise, as we prioritise capital preservation over chasing risky profits. We anticipate deploying our excess cash as market risk subsides in coming months.

NTA per unit  
**\$1.54**

Unit price (EGF)  
**\$1.46**

Gross assets  
**\$160.3 MILLION**

12-month distribution  
yield (target: 4%)  
**10.2%**

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

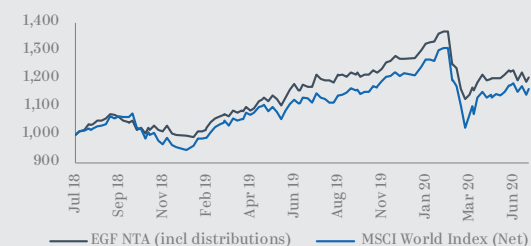
	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	-1.7%	3.1%	-5.4%	3.9%	-	-	9.8%
MSCI World Index (Net, AUD (%))	-1.1%	5.7%	-3.9%	4.6%	-	-	8.0%
Excess Return	-0.6%	-2.6%	-1.5%	-0.7%	-	-	1.9%

Note: Numbers may not sum due to rounding.

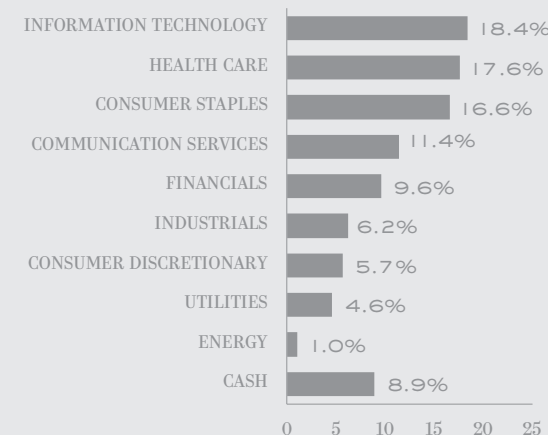
## TOP 10 HOLDINGS

Alphabet Inc	Mowi ASA
Aon PLC	Novartis AG
Coca-Cola Co/The	Orsted A/S
Danone SA	RELX PLC
Microsoft Corp	Unilever NV

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

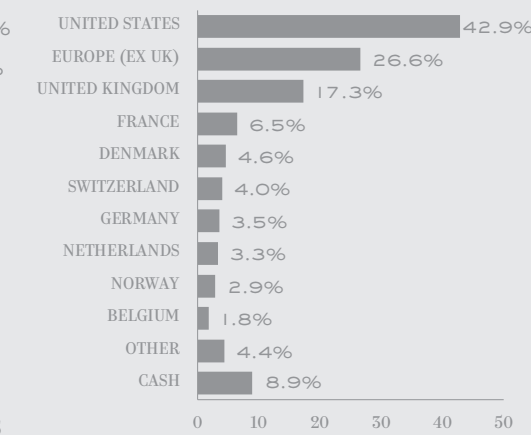


## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## 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. Past performance is not a reliable indicator of future performance. Inception 6 July 2018. Chart data range: 6 July 2018 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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## 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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