

25 August 2020

Evans & Partners Global Flagship Fund

ASX Code: EGF

Potential change to open-ended fund

Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433) (**Walsh & Company**), in its capacity as Responsible Entity of the Evans & Partners Global Flagship Fund (**Fund**), advises that Walsh & Company is exploring changing the Fund from a closed-ended listed unit trust to an open-ended unlisted unit trust that allows daily applications and redemptions at the Fund's net tangible asset value per Unit (**NTA**) (subject to a buy/sell spread).

Since the inception of the Fund in July 2017, the investment manager of the Fund has provided unitholders a per annum return of 9.6%, inclusive of distributions and net of fees and costs, consistently outperforming the MSCI World Index (AUD).

As COVID-19 continues to create volatility in Australian and global markets, the Responsible Entity has been exploring strategies to enhance the Fund's liquidity and efficiency.

Historically, listed investment trusts have been an effective structure for retail investors to access equity strategies due to the ease of execution of trading units on the Australian Securities Exchange (**ASX**). The Responsible Entity has maintained active capital management strategies such as buybacks, to provide liquidity for investors. However, this has become more difficult in recent volatile markets and is exacerbated by the mismatch between buyers and sellers in the market.

As a result of these changes, and in an effort to optimise the structure of the Fund for growth and to best position the Fund to continue to deliver strong performance, the Responsible Entity has undertaken a review of the options available, including continuing with the status quo or changing to an open-ended unlisted structure that allows continuous applications and redemptions.

Some of the features of the proposal include:

- an ability to realise investments in the Fund at a price which is more reliably close to the NTA (subject to a buy/sell spread);
- a right to request redemption of units daily at NTA, instead of selling on market at a price that may or may not reflect NTA;
- the possibility of improved growth prospects, which may deliver scale benefits such as improved access to brokers, company management teams and research providers, and greater transaction and operational cost efficiencies; and
- total fees will remain unchanged.



Walsh & Company will give further consideration to the advantages and disadvantages of the proposed change, as well as other alternatives, before putting a proposal to unitholders. Any proposal will require approval of unitholders in the Fund. Further updates will be provided as work on evaluating the initiative progresses.

For further information, contact Walsh & Company on 1300 454 801.

Authorised for release by Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433), the responsible entity of Evans & Partners Global Flagship Fund.