

30 April 2018

Dear fellow investor,

Chairman's Update

The Global Disruption Fund performed well this quarter against a backdrop of mixed performances from the major market indices. While the overall theme of disruptive technology and innovation remains a significant contributor to market growth, the increased scrutiny of data platforms and the potential for data protection regulation in the US has impacted the share price performance of a number of companies.

As an Investment Committee we have been actively reviewing the Fund's holdings. The Fund exited three holdings this quarter, including in Apple Inc., and initiated holdings in some exciting new businesses. We remain confident as to the merits of the Fund's significant positions and have been pleased with the quarterly results and market disclosures from those companies.

The positive performance of the Fund has seen the successful completion of two capital raisings this quarter, confirming support for the Fund's mandate to invest in companies that will be the beneficiaries of advancements in technology and the disruptive innovation of markets and industries.

Please find attached the March 2018 quarterly update for the Fund.

Yours sincerely,

David Evans

EVANS & PARTNERS

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FUND**

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MARCH 2018 QUARTERLY INVESTMENT UPDATE

All data is at 31 March 2018 and in Australian dollars (AUD), unless otherwise indicated.

PORTFOLIO COMMENTARY

The Fund continued to perform well in the March quarter (Q1), returning 8.2% on a net tangible asset (NTA) basis. During the quarter, the Fund successfully completed two capital raisings, raising a further \$6.5 million for investment. Volatility returned to equity markets during the quarter, which was reflected in mixed performances from the global indices - with the Nasdaq returning 2.3%, while the MSCI AC World Index and S&P500 declined 1.4% and 1.2% respectively.

Netflix (up 54%), Amazon (up 24%), Zillow (up 31%), Palo Alto Networks (up 25%) and Adobe (up 23%) were key contributors to returns, with strong share price appreciation following solid results announcements. Meanwhile, the key detractors of the portfolio were Facebook (down 9%), Baidu (down 5%) and Alphabet (down 1%), following increased regulatory scrutiny and investigation into issues relating to data privacy.

The Fund's Investment Committee chose to exit its positions in Apple, Broadcom and NetEase.

At the end of the month, the Fund's cash position was 14.6%, with the Investment Committee deciding to hold a higher-than-normal cash level given the strong market run and increased volatility.

FUND PERFORMANCE

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
Unit price (%)	-1.5%	0.5%	13.0%	N/A	N/A	N/A	19.4%
NTA ² (%)	-2.1%	8.2%	14.9%	N/A	N/A	N/A	19.4%
NTA ² in USD ³ (%)	-3.2%	6.4%	12.6%	N/A	N/A	N/A	15.5%

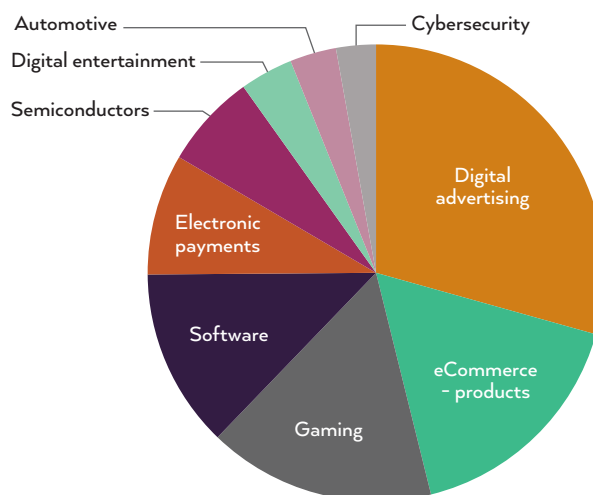
Notes

¹ All returns beyond one year are annualised.

² NTA performance numbers are total returns, with distributions reinvested and net of fees and costs.

³ NTA in USD is converted by the month-end closing AUD/USD foreign exchange rate. Exchange rate source: Bloomberg

SECTOR BREAKDOWN



TOP 10 HOLDINGS

Indicative look-through stock exposure derived from portfolio of underlying funds:

IN ALPHABETICAL ORDER	SECTOR EXPOSURE
Activision Blizzard	Gaming
Alibaba	eCommerce
Alphabet	Digital advertising
Amazon	eCommerce
Baidu	Digital advertising
Facebook	Digital advertising
Microsoft	Software
PayPal	Electronic payments
Tencent	Digital advertising, Gaming
Zillow	Digital advertising

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MARKET REVIEW

In general, companies within the disruption universe performed well during the quarter, following the release of several strong Q4 results.

The market reacted positively to Amazon's fourth quarter 2017 results, which beat expectations. The Amazon Web Services business continued to strengthen and Amazon's core ecommerce business reported robust growth, as the company continues to benefit from heavy investment into infrastructure and fulfillment. Amazon also indicated its advertising business is growing strongly and take-up of virtual assistant Alexa continues to exceed expectations.

Similarly, Netflix performed strongly with a solid fourth quarter result. US and international subscriber growth significantly exceeded expectations despite price rises, which also drove strong average revenue per user trends. Revenue growth guidance for Q1 of 40% was the strongest in recent times.

Despite the quarterly result exceeding market expectations for revenue and earnings, PayPal's fourth quarter 2017 result was negatively received following the news that eBay would not renew its contract as primary payments processor from 2023. While eBay currently accounts for some 13% of PayPal's total payment volumes (TPV), this is expected to reduce materially in the medium term given eBay's modest growth and strong growth from other customers. PayPal reiterated their medium-term guidance of 20% TPV growth and revenue growth of 15%, and expect operating margins that are stable to expand. We remain comfortable with our holding in PayPal given the strength of the platform, the continued shift to digital payments and PayPal's opportunity to pursue growth via alternative transactions, previously restricted under the eBay contract.

Facebook declined during the quarter, following news of the Cambridge Analytica data breach, potential for a digital tax in Europe and support for the adoption of the EU General Data Protection Rules. The Investment Committee subsequently reduced the Fund's position in Facebook, given the potential overhang from the prospect of increased regulation. While uncertainty has increased, we remain comfortable holding Facebook for a number of reasons: it owns four of the top six social media platforms in terms of users and engagement, holds significant value in platforms such as Instagram, Messenger and WhatsApp, and overall its valuation remains attractive.

Meanwhile, the Fund exited its positions in Apple, Broadcom and NetEase during the quarter. Quarterly sales growth in Apple's core iPhone business was softer than market expectations, despite solid growth across Apple's Services business and sales of other hardware. The Fund's position in Apple was exited to take advantage of other higher growth opportunities, as was semiconductor manufacturer Broadcom. NetEase was also sold as its business mix continues to shift away from mobile gaming and towards eCommerce, accompanied with increasing investment.

During the quarter, the Fund initiated positions in Nvidia and Salesforce. Nvidia designs and manufactures graphic processor units and software which is used in multiple high-growth end markets including gaming, datacentres/cloud, autonomous cars, robotics and smart city applications. Salesforce is the leading global provider of CRM systems and is the fourth largest software company in the world. The company also has a strong competitive position and is exposed to strong secular demand for its products, which enable companies to undergo digital transformation as they modernise how they connect and interact with customers.

FUND FACTS

KEY FUND DETAILS

ASX ticker	EGD
Structure	Listed unit trust
Inception	25 July 2017
Currency	AUD (unhedged)
Unit price	\$1.91
NTA	\$1.85
Market capitalisation	\$237.2 million
Units outstanding	124.2 million

ONGOING FEES (EXCLUSIVE OF GST)

Responsible Entity fee	0.08% p.a.
Administration fee	0.25% p.a.
Investment Management fee	0.95% p.a.

DISTRIBUTIONS ANNOUNCED (LAST 12 MONTHS)

N/A	N/A
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INVESTMENT OBJECTIVE

The objective of the Fund is to provide investors with capital growth over the long-term through exposure to companies that will benefit from disruptive innovation.

INVESTMENT STRATEGY

Evans and Partners Investment Management Pty Limited (the **Investment Manager**) will target a concentrated portfolio of global investments (primarily listed companies) which may exhibit some or all of the following characteristics:

- A proven ability to disrupt, and the potential to continue to disrupt, existing markets and businesses.
- The ability to utilise new technology to disrupt existing industries.
- Demonstrated growth potential and scalability.
- An appropriate capital structure to fund research and development, as well as growth.

Complementing a relatively large exposure to major listed global companies will be a selection of smaller positions identified by the Investment Manager that have the potential to successfully disrupt existing industries and companies.

The Investment Manager may seek to identify and source opportunities in unlisted Australian and international companies that are typically at an earlier stage in their business life-cycle than the Fund's listed investments, but which have a disruptive business model or technology that the Investment Manager believes has the potential to be successful. This may involve participation in pre-IPO fund raisings but will not encompass early stage or venture capital-type investments.

The investment process is conducted by the Investment Manager who coordinates with the Investment Committee and Portfolio Consultant to assist with investment decisions.

ABOUT THE INVESTMENT MANAGER

Evans and Partners Investment Management Pty Limited is a subsidiary of the Walsh & Company Group. Walsh & Company 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.

We provide investors access to unique investment strategies that are not readily accessible to investors, and focus on building high-quality, diversified portfolios.

IMPORTANT INFORMATION

This document has been prepared by Walsh & Company Asset Management Pty Limited (ABN 89 159 902 708, AFSL 450 257), as Responsible Entity of the Evans & Partners Global Disruption Fund (ARSN 619 350 042) (**Fund**). This document may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. The past performance of the Fund is not a guarantee of the future performance of the Fund. This document may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Responsible Entity does not make any representation as to the accuracy or likelihood of fulfilment of the forward looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and the Responsible Entity assumes no obligation to update that information. The Responsible Entity gives no warranty, representation or guarantee as to the accuracy or completeness or reliability of the information contained in this document. The Responsible Entity does not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this document. Any recipient of this document should independently satisfy themselves as to the accuracy of all information contained herein.

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