

**Appendix 4D**  
**Half-Year Report**  
**For the half-year ended 31 December 2019**

Name of entity

**Evans & Partners Australian Flagship Fund**

ARSN

Reporting Period

Previous Corresponding Period

625 303 068

1 July 2019 to 31 December 2019

12 April 2018 to 31 December 2018

**Results for announcement to the market**

		31 December 2019 (\$)
<b>Total investment income</b> ("revenue from ordinary activities")	Up by 191.2% to	\$1,714,572
<b>Net operating profit for the period</b> ("profit from ordinary activities after tax attributable to unitholders")	Up by 174.2% to	\$1,551,527
<b>Total comprehensive income</b> ("net profit for the period attributable to unitholders")	Up by 174.2% to	\$1,551,527

**Commentary on results**

Refer to the attached Half-Year Financial Report including Director's Report. Additional Appendix 4D disclosure requirements can be found in the notes to the Half-Year Financial Report.

**Distributions**

	Amount per security
<b>Final 2019 distribution (paid on 2 August 2019)</b>	3.6 cents
<b>Interim 2020 distribution (paid on 3 February 2020)</b>	4.2 cents
Interim distribution dates:	
Ex-distribution date	30 December 2019
Record date	31 December 2019
DRP election date	8 January 2020
Payment date	3 February 2020

There is a distribution reinvestment plan (DRP) in operation in respect of this distribution. The Fund currently operates a DRP under which unitholders may elect to have all or part of their distribution reinvested in new units.

**Net tangible assets per unit**

31/12/2019	\$1.71
31/12/2018	\$1.42

**Earnings per unit**

	31 December 2019	31 December 2018
Basic earnings/(loss) per unit	8.33 cents	(14.04) cents
Diluted earnings/(loss) per unit	8.33 cents	(14.04) cents

**Financial Report**

This report is based on the 31 December 2019 Half-Year Financial Report and has been reviewed by KPMG.

For personal use only

For personal use only



# HALF-YEAR FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED  
31 DECEMBER 2019**

**RESPONSIBLE ENTITY:**

**WALSH & COMPANY**

INVESTMENTS LIMITED

(ACN 152 367 649) (AFSL 410 433)

**INVESTMENT MANAGER:**

EVANS AND PARTNERS  
INVESTMENT MANAGEMENT PTY LIMITED  
(ACN 619 080 045) (CAR 1255 264)

**Evans & Partners Australian Flagship Fund**

**Contents**

**31 December 2019**

Chairman's letter	2
Portfolio positioning	3
Directors' report	4
Auditor's independence declaration	6
Condensed statement of profit or loss and other comprehensive income	7
Condensed statement of financial position	8
Condensed statement of changes in equity	9
Condensed statement of cash flows	10
Notes to the condensed financial statements	11
Directors' declaration	16
Independent auditor's review report to the unitholders of Evans & Partners Australian Flagship Fund	17
Corporate directory	19

For personal use only

## Evans & Partners Australian Flagship Fund

### Chairman's letter

31 December 2019

Dear Investor

It is a pleasure to provide you with the Evans & Partners Australian Flagship Fund (**Fund** or **EFF**) Half-Year Financial Report for the financial period ended 31 December 2019 (**HY20**).

The Fund was established in June 2018 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.

#### Market Conditions

Despite continued volatility, global markets were strong in the six months to 31 December 2019, continuing the trend of the prior six months. The key driver behind this strength was positive global growth, growing corporate earnings and central bank policy settings that support asset values. Diminishing uncertainties surrounding trade negotiations between the US and China and Brexit also supported market sentiment.

Domestically, the Australian market traced a similar path to global counterparts, in-part aided by two cuts to the Reserve Bank of Australia's target cash rate in July and October, generally strong commodity prices (particularly iron ore), low unemployment and solid corporate earnings. The two best performing sectors in the Australian market were Healthcare and Consumer Discretionary with the EFF portfolio well exposed to these segments of the market.

Low interest rates have been very supportive for high quality dividend paying equities as investors continue to search for alternatives to fixed interest income in their investment portfolio. We are optimistic that the investment mandate of EFF to focus on quality Australian businesses with sustainable earnings growth will continue to deliver solid returns for our investors.

Looking forward we anticipate that growth will remain positive, however caution that in the short-term the recent bushfires and the impact on trade and inbound tourism from the novel coronavirus may create headwinds for the market.

#### Fund Performance

In the six months to 31 December 2019 the EFF Net Tangible Asset (**NTA**) appreciated 5.4%, including distributions, outperforming the S&P/ASX 200 Accumulation Index which rose 3.1%. The NTA of the Fund at 31 December 2019 was \$29.4 million or \$1.71 per unit.

CSL Ltd, James Hardie and Xero were the three best contributors to returns for the six months. While Westpac (sold during HY20), ANZ Banking Group and National Australia Bank (switched into from Westpac) were the three largest negative contributors due mainly to negative sector related news surrounding the Westpac AUSTRAC money laundering breaches.

In light of the anticipated market conditions for first half FY20, the Portfolio Managers will continue to position the Fund to take advantage of the longer term thematic driving company earnings growth, such as healthcare and technology, with a focus on those companies that can provide the potential for sustainable above average returns through the cycle.

We look forward to further updating you on the Fund performance in the full year financial report.

Yours faithfully,



David Evans

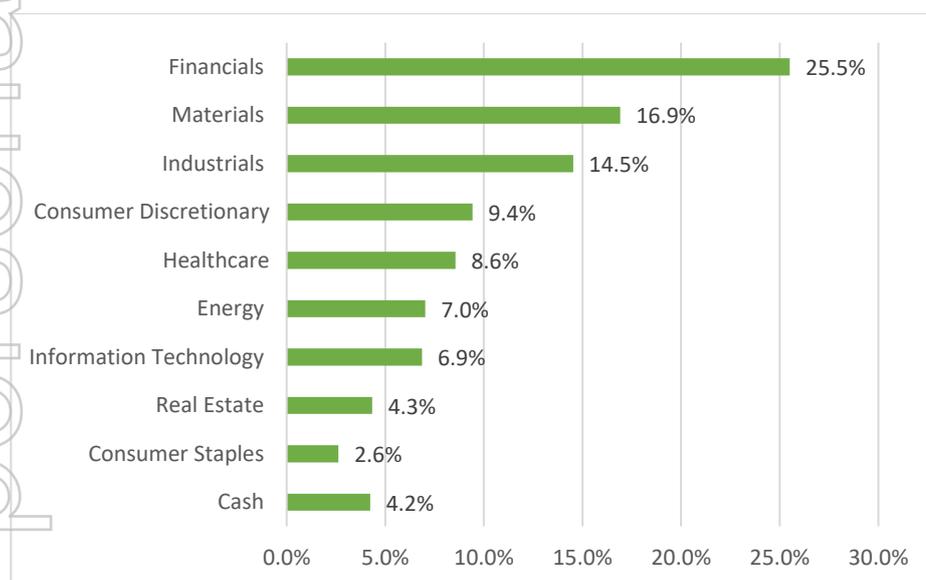
Chair of the Investment Committee

**Evans & Partners Australian Flagship Fund**  
**Portfolio positioning**  
**31 December 2019**

**Top 10 Portfolio Holdings**

Company	Sector
ANZ Banking Group	Financials
BHP Group Ltd	Materials
Commonwealth Bank of Australia	Financials
CSL Ltd	Healthcare
Macquarie Group Limited	Financials
National Australia Bank Ltd	Financials
Sydney Airport	Industrials
Transurban Group	Industrials
Wesfarmers Ltd	Consumer Discretionary
Woodside Petroleum Limited	Energy

**Sector Exposure**



**Evans & Partners Australian Flagship Fund**  
**Directors' report**  
**31 December 2019**

The directors of Walsh & Company Investments Limited, the Responsible Entity of Evans & Partners Australian Flagship Fund (the **Fund** or **EFF**), present their report together with the condensed interim financial statements of the Fund for the half-year ended 31 December 2019.

**Directors**

The directors of the Responsible Entity at any time during or since the end of the financial period are:

Stuart Nisbett	Appointed 19 December 2019
Mike Adams	
Warwick Keneally	
Peter Shear	Appointed 19 December 2019
Alex MacLachlan	Resigned 19 December 2019

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

**Principal activities**

The Fund is a registered managed investment scheme structured as a closed end unit trust that is domiciled in Australia and quoted on the Australian Securities Exchange (**ASX**) (ticker code: **EFF**). It was registered on 12 April 2018. The registered office and principal place of business of the Responsible Entity of the Fund is located at Level 15, 100 Pacific Highway, North Sydney, NSW, 2060.

The principal activity of the Fund was to provide investors with capital growth, attractive risk-adjusted returns and stable distributions over the medium to long-term through exposure to quality ASX listed securities.

There were no significant changes in the nature of this activity during the period.

**Review of financial results and operations**

**a) Financial results for the period**

The performance of the Fund, as represented by the results of its operations for the relevant period ended 31 December, was as follows:

	<b>2019</b>	<b>2018</b>
<b>Results</b>		
Total net investment income/(loss) (\$)	1,714,572	(1,879,423)
Total expenses (\$)	(163,045)	(211,921)
Net profit/(loss) (\$)	<u>1,551,527</u>	<u>(2,091,344)</u>
	<b>2019</b>	<b>2018</b>
<b>Distributions</b>		
Cash distributions - cents per unit	<u>4.2</u>	<u>3.9</u>
	<b>2019</b>	<b>2018</b>
<b>Net asset value</b>		
Net asset value per unit (ex-distribution) - \$ per unit	<u>1.71</u>	<u>1.42</u>

**b) Performance returns**

The performance returns shown in the table below are for the six and twelve months ended 31 December 2019, and have been calculated using the net asset value per unit for the Fund, which is after fees and expenses, assuming reinvestment of distributions. The returns are calculated monthly and compounded to produce longer period returns.

Evans & Partners Australian Flagship Fund  
Directors' report  
31 December 2019

	6 months to 31 December 2019 %	12 months to 31 December 2019 %
<b>Performance</b>		
Growth return (i)	2.61	20.68
Distribution return (ii)	2.75	5.54
Total return (iii)	<u>5.36</u>	<u>26.22</u>

(i) The Growth return is calculated as a percentage by dividing the end of period net asset value per unit by the net asset value per unit at the start of the period minus 1.

(ii) The Distribution return is calculated as a percentage by subtracting the Growth return from the Total return.

(iii) The Total return is calculated as a percentage by dividing the end of period net asset value per unit (cum-distribution) by the net asset value per unit at the start of the period minus 1.

**Matters subsequent to the end of the financial period**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stuart Nisbett  
Chairman of Walsh & Company Investments Limited, Responsible Entity

25 February 2020



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Walsh & Company Investments Limited, the Responsible  
Entity of Evans & Partners Australian Flagship Fund

I declare that, to the best of my knowledge and belief, in relation to the review of Evans & Partners  
Australian Flagship Fund, for the half-year ended 31 December 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the  
*Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Jessica Davis

*Partner*

Sydney

25 February 2020

For personal use only

**Evans & Partners Australian Flagship Fund**  
**Condensed statement of profit or loss and other comprehensive income**  
**For the period ended 31 December 2019**

	Note	31 December 2019 \$	31 December 2018 \$
<b>Investment income</b>			
Interest income		5,332	18,860
Dividend and distribution income		583,390	671,176
Net gain/(loss) on financial assets at fair value through profit or loss		<u>1,125,850</u>	<u>(2,569,459)</u>
Total net investment income/(loss)		<u>1,714,572</u>	<u>(1,879,423)</u>
<b>Expenses</b>			
Management and administration fees	10	(152,637)	(169,258)
Investment transaction costs	10	<u>(10,408)</u>	<u>(42,663)</u>
Total expenses		<u>(163,045)</u>	<u>(211,921)</u>
<b>Profit/(loss) before income tax expense</b>		1,551,527	(2,091,344)
Income tax expense		-	-
<b>Profit/(loss) after income tax expense for the period</b>		1,551,527	(2,091,344)
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<u>1,551,527</u>	<u>(2,091,344)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per unit	5	8.33	(14.04)
Diluted earnings/(loss) per unit	5	8.33	(14.04)

*The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Evans & Partners Australian Flagship Fund**  
**Condensed statement of financial position**  
**As at 31 December 2019**

	<b>Note</b>	<b>31 December</b>	<b>30 June 2019</b>
		<b>2019</b>	<b>2019</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash and cash equivalents		1,274,186	1,311,234
Receivables	6	78,461	201,108
Financial assets	7	<u>28,809,485</u>	<u>32,535,764</u>
<b>Total assets</b>		<u>30,162,132</u>	<u>34,048,106</u>
<b>Liabilities</b>			
Payables		27,605	29,988
Distributions payable		<u>720,924</u>	<u>719,371</u>
<b>Total liabilities</b>		<u>748,529</u>	<u>749,359</u>
<b>Net assets</b>		<u>29,413,603</u>	<u>33,298,747</u>
<b>Equity</b>			
Issued capital	8	26,481,366	31,197,113
Retained earnings		<u>2,932,237</u>	<u>2,101,634</u>
<b>Total equity</b>		<u>29,413,603</u>	<u>33,298,747</u>

*The above condensed statement of financial position should be read in conjunction with the accompanying notes*

**Evans & Partners Australian Flagship Fund**  
**Condensed statement of changes in equity**  
**For the period ended 31 December 2019**

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 12 April 2018	-	-	-
Loss after income tax expense for the period	-	(2,091,344)	(2,091,344)
Other comprehensive income for the period, net of tax	-	-	-
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(2,091,344)</b>	<b>(2,091,344)</b>
<i>Transactions with unitholders in their capacity as unitholders:</i>			
issued capital	31,689,393	-	31,689,393
Distributions paid or payable	-	(790,664)	(790,664)
<b>Balance at 31 December 2018</b>	<b>31,689,393</b>	<b>(2,882,008)</b>	<b>28,807,385</b>
	Issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2019	31,197,113	2,101,634	33,298,747
Profit after income tax expense for the period	-	1,551,527	1,551,527
Other comprehensive income for the period, net of tax	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>1,551,527</b>	<b>1,551,527</b>
Issued capital (note 8)	140,834	-	140,834
Unit buy-backs (note 8)	(4,844,168)	-	(4,844,168)
Buy-back costs (note 8)	(12,413)	-	(12,413)
Distributions paid or payable (note 4)	-	(720,924)	(720,924)
<b>Balance at 31 December 2019</b>	<b>26,481,366</b>	<b>2,932,237</b>	<b>29,413,603</b>

*The above condensed statement of changes in equity should be read in conjunction with the accompanying notes*

**Evans & Partners Australian Flagship Fund**  
**Condensed statement of cash flows**  
**For the period ended 31 December 2019**

	<b>31 December 2019 \$</b>	<b>31 December 2018 \$</b>
<b>Cash flows from operating activities</b>		
Dividends and distributions received	705,181	578,372
Interest received	6,472	16,985
Payments to suppliers	<u>(154,543)</u>	<u>(171,667)</u>
Net cash from operating activities	<u>557,110</u>	<u>423,690</u>
<b>Cash flows from investing activities</b>		
Payments for investments	(2,668,855)	(35,058,889)
Proceeds from disposal of investments	<u>7,509,815</u>	<u>4,410,852</u>
Net cash from/(used in) investing activities	<u>4,840,960</u>	<u>(30,648,037)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of units	-	32,437,482
Payments for unit buy-backs	(4,844,168)	-
Distributions paid	(578,537)	-
Payment of buy-back costs	<u>(12,413)</u>	<u>(748,089)</u>
Net cash (used in)/from financing activities	<u>(5,435,118)</u>	<u>31,689,393</u>
Net (decrease)/increase in cash and cash equivalents	(37,048)	1,465,046
Cash and cash equivalents at the beginning of the financial period	<u>1,311,234</u>	<u>-</u>
Cash and cash equivalents at the end of the financial period	<u><u>1,274,186</u></u>	<u><u>1,465,046</u></u>

*The above condensed statement of cash flows should be read in conjunction with the accompanying notes*

**Evans & Partners Australian Flagship Fund**  
**Notes to the condensed financial statements**  
**31 December 2019**

**1. General information**

Evans & Partners Australian Flagship Fund (**Fund**) is a registered managed investment scheme domiciled in Australia. The investment objective of the Fund is to provide investors with capital growth, attractive risk-adjusted returns and stable distributions over the medium to long-term through exposure to quality ASX listed securities.

The condensed interim financial statements were authorised for issue by the board of directors of the Responsible Entity of the Fund on 25 February 2020.

**2. Significant accounting policies**

**Statement of Compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards Board (**AASB**) 134: 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 134 'Interim Financial Reporting'. The half-year report does not include all notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

**Basis of Preparation**

The condensed interim financial statements have been prepared on an accrual basis and are based on historical cost with the exception of financial assets which are measured at fair value. All amounts are presented in Australian dollars unless otherwise noted.

The same accounting policies and methods of computation have been followed in this half-year financial report as were applied in the most recent annual financial statements.

**New Accounting Standards and Interpretations**

The Fund has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year. The impact of the adoption is not material to the Fund's financial report in the current or future reporting periods and on foreseeable future transactions.

**3. Operating segments**

The Fund operates in Australia and is engaged solely in investing activities, generating capital growth and deriving revenue from dividend and distribution income and interest income.

**4. Distributions**

Distributions declared during the financial period were as follows:

	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>\$</b>	<b>\$</b>
Cash distribution - 3.9 cents per unit paid 4 February 2019	-	790,664
Cash distribution - 4.2 cents per unit paid on 3 February 2020	720,924	-
	<u>720,924</u>	<u>790,664</u>

Evans & Partners Australian Flagship Fund  
Notes to the condensed financial statements  
31 December 2019

5. Earnings per unit

	31 December 2019 \$	31 December 2018 \$
Profit/(loss) after income tax	1,551,527	(2,091,344)
	<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per unit	8.33	(14.04)
Diluted earnings/(loss) per unit	8.33	(14.04)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary units used in calculating basic earnings per unit	18,625,856	14,897,894
Weighted average number of ordinary units used in calculating diluted earnings per unit	18,625,856	14,897,894

6. Receivables

	31 December 2019 \$	30 June 2019 \$
Dividends and distributions receivable	72,236	194,027
Interest receivable	292	1,432
GST receivable	5,933	5,649
	<u>78,461</u>	<u>201,108</u>

7. Financial assets

	31 December 2019 \$	30 June 2019 \$
Equity investments - listed	28,809,485	32,535,764

Refer to note 9 for further information on fair value measurement.

Evans & Partners Australian Flagship Fund  
Notes to the condensed financial statements  
31 December 2019

8. Issued capital

	31 December 2019 Units	30 June 2019 Units	31 December 2019 \$	30 June 2019 \$
Ordinary units - fully paid	17,164,855	19,982,492	26,481,366	31,197,113

*Movements in ordinary unit capital*

Details	Date	Units	\$
Balance	1 July 2019	19,982,492	31,197,113
Issue of ordinary units at \$1.59 per unit (distribution reinvested)	2 August 2019	88,323	140,834
Unit buy-backs		(2,905,960)	(4,844,168)
Buy-back costs		-	(12,413)
Balance	31 December 2019	17,164,855	26,481,366

9. Fair value measurement

The aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are disclosed in the Statement of Financial Position and in the notes to the condensed financial statements.

The fair values of:

- other assets and other liabilities approximate their carrying value;
- listed securities included in "Equity Investments" are readily traded on ASX in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted sale price as at the end of the reporting period.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs in making the measurements:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2019</b>				
<i>Financial assets at fair value through profit or loss</i>				
Equity investments - listed	28,809,485	-	-	28,809,485
Total assets	28,809,485	-	-	28,809,485
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>30 June 2019</b>				
<i>Financial assets at fair value through profit or loss</i>				
Equity investments - listed	32,535,764	-	-	32,535,764
Total assets	32,535,764	-	-	32,535,764

There were no transfers between levels during the financial period.

## **10. Related party transactions**

### *Related party investments in the Fund*

The Responsible Entity or its associates does not hold any investments in the Fund.

### *Responsible Entity services*

#### *a) Responsible Entity and Administration fees*

The Responsible Entity's duties include establishing the compliance plan and procedures and monitoring against regulatory and legislative requirements, the issuance of disclosure documents, the appointment and monitoring of external service providers to the Fund and overall administration of the Fund. As Responsible Entity, Walsh & Company Investments Limited charged a fee of 0.33% per annum of the gross asset value of the Fund, representing a Responsible Entity fee of 0.08% per annum and an Administration fee of 0.25% per annum.

Total Responsible Entity and Administration fees paid or payable to the Responsible Entity for the period ended 31 December 2019 were \$44,884 (31 December 2018: \$55,312), exclusive of GST.

#### *b) Custodial services*

The Responsible Entity provided custodial services to the Fund in its personal capacity under a custody arrangement with Walsh & Company Investments Limited during the period up to 19 December 2019.

Effective 19 December 2019, the Fund's custodial services were outsourced to external service providers. The Responsible Entity bears the cost of the custodial services and, as such, there were no custody fees paid out of the assets of the Fund.

#### *c) Fund administration services*

Australian Fund Accounting Services Pty Limited, a related party of the Responsible Entity, provides fund administration services to the Fund under an agreement with the Responsible Entity. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Time spent by administrative staff is charged to the Fund at agreed market derived rates, currently subject to a cap. The Responsible Entity bears the cost of the fund administration services and, as such, there was no fund administration fee paid out of the assets of the Fund.

### *Investment Management fee*

The Investment Manager provides investment management services to the Fund, including overseeing the assessment of market conditions and investment opportunities, the selection and recommendation of investments, monitoring the Funds' investment portfolio, and determining and recommending the retention or sale of investment in the Fund's portfolio.

In connection with the provision of services as Investment Manager, Evans and Partners Investment Management Pty Limited, a related party of the Responsible Entity, received an Investment Management fee of 0.65% per annum (exclusive of GST) of the gross asset value of the Fund.

Total Investment Management fees paid or payable to the related party of the Responsible Entity for the period ended 31 December 2019 were \$102,974 (31 December 2018: \$108,743), exclusive of GST.

### *Brokerage fee*

Dixon Advisory & Superannuation Services Limited, a related party of the Responsible Entity, was engaged as a broker by the Fund and received brokerage of 0.25% on all transactions undertaken as part of the Fund's buy-back program up to 1 October 2019.

Effective 1 October 2019, Evans & Partners Pty Ltd, also a related party of the Responsible Entity and broker of the Fund, was engaged to provide brokerage under the Fund's buy-back program. There was no change in the brokerage fee structure under the buy-back program as a result of the change in brokers.

**Evans & Partners Australian Flagship Fund**  
**Notes to the condensed financial statements**  
**31 December 2019**

**10. Related party transactions (continued)**

Total brokerage fees paid or payable to the related parties of the Responsible Entity for the period ended 31 December were \$12,110 (31 December 2018: \$0), exclusive of GST.

*Investment transaction costs*

Evans & Partners Pty Ltd, a related party of the Responsible Entity, receives brokerage of 0.10% (excluding GST) on all transactions in Australian equities undertaken by the Fund. During the period, the brokerage paid was \$10,154 (31 December 2018: \$41,622), exclusive of GST.

**11. Events after the reporting period**

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Fund's operations, the results of those operations, or the Fund's state of affairs in future financial years.

**Evans & Partners Australian Flagship Fund**  
**Directors' declaration**  
**31 December 2019**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Stuart Nisbett  
Chairman of Walsh & Company Investments Limited, Responsible Entity

25 February 2020



# Independent Auditor's Review Report

To the unitholders of Evans & Partners Australian Flagship Fund

## Conclusion

We have reviewed the accompanying **Half-Year Financial Report** of Evans & Partners Australian Flagship Fund (the Fund).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the **Half-Year Financial Report** of the Fund is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 31 December 2019 and of its performance for the half-year ended 31 December 2019; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-Year Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2019
- Condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended 31 December 2019
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

## Responsibilities of the Directors for the Half-Year Financial Report

The Directors of the Responsible Entity are responsible for:

- the preparation of the Half-Year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Half-Year Financial Report that is free from material misstatement, whether due to fraud or error.



### Auditor's responsibility for the review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the Half-Year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-Year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Fund's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Evans & Partners Australian Flagship Fund, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Jessica Davis

Partner

Sydney

25 February 2020

For personal use only

**Evans & Partners Australian Flagship Fund**  
**Corporate directory**  
**31 December 2019**

The Fund's units are quoted on the official list of Australian Securities Exchange (**ASX**).  
**The ASX code is EFF**

**Evans & Partners Australian Flagship Fund**

(ARSN 625 303 068)  
Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060  
T 1300 454 801  
F 1300 883 159  
E [info@australianflagshipfund.com.au](mailto:info@australianflagshipfund.com.au)  
australianflagshipfund.com.au

**Responsible Entity**

Walsh & Company Investments Limited  
(ACN 152 367 649)  
(AFSL 410 433)  
Level 15, 100 Pacific Highway  
NORTH SYDNEY NSW 2060  
T 1300 454 801  
F 1300 883 159  
E [info@walshandco.com.au](mailto:info@walshandco.com.au)  
walshandco.com.au

**Directors**

Stuart Nisbett  
Peter Shear  
Warwick Keneally  
Mike Adams

**Secretaries**

Hannah Chan  
Caroline Purtell

**Unit Register**

Boardroom Pty Limited  
Level 12, 225 George Street  
SYDNEY NSW 2000  
T 1300 737 760 (Australia)  
T +61 2 9290 9600 (International)  
F 1300 653 459  
boardroomlimited.com.au

**Auditor**

KPMG  
Level 38, Tower Three  
International Towers Sydney  
300 Barangaroo Avenue  
SYDNEY NSW 2000  
T: +61 2 9335 7000  
F: +61 2 9335 7001  
kpmg.com.au

**Banker**

ANZ Bank  
J.P. Morgan

For personal use only

