

Global Disruption Portfolio

What is disruption?

Disruptive innovation, or simply disruption, is the process of creating a new market and value network that disrupts an existing market and value network, eventually displacing established market leaders.

Particularly in recent years, disruption has become an increasingly prominent issue in the minds of investors. People are becoming more aware of the havoc disruptive companies can create in various industries and consequently investors' portfolios.

What are some examples of disruption?

Modern examples of disruption can be found everywhere...

Global retail companies such as Amazon have not only become household names but have also contributed to the demise of industries never thought to have an expiry date. Taking the Amazon example, the downturn in the market for bricks and mortar book stores can be correlated directly with the rise of Amazon and its vast online book store.

Similarly, the increasing popularity of Netflix and other video streaming websites have effectively destroyed the market for DVDs just as Apple Music and other online music streaming services put a virtual end to CD manufacturing.

With the continued investment into artificial intelligence and computer technology almost all industries are on notice and in order to stay relevant, profitable and simply survive, they cannot afford to overlook this phenomenon.

How can investors benefit?

What this Portfolio essentially aims to do is provide clients with a way to invest in the naturally recurring process of disruption. The Portfolio will invest in companies that have proven abilities to disrupt, and continue to disrupt, existing markets and traditional businesses.

We see a position in the Global Disruption Portfolio as a sensible way for clients to hedge against the disruptive effects felt across all industries and by extension their existing investment portfolios.

Why the Evans and Partners Global Disruption Portfolio?

As noted, we recognise the effects disruption can have in financial markets. Comprised of a highly experienced group of industry professionals, our Investment Committee understands the role technology and innovation plays in global and domestic markets. With a Portfolio Analyst shortly to begin consulting into the Committee, the knowledge base around this type of investing is significant.

IMPORTANT INFORMATION

This document has been prepared by Evans and Partners Pty Ltd (ABN 85 125 338 785, AFSL 318075) for general information purposes only and does not take into consideration any particular investor's objectives, financial situation or needs. Before acting on any information within this document, you should consider the appropriateness of it having regard to your own particular circumstances, objectives, financial situation and needs. Please refer to the relevant Product Disclosure Statement ("PDS") before making an investment decision to acquire any of the products referred to in this publication. The information contained in this document is for information purposes only and does not constitute an offer, solicitation or recommendation by EAP. Readers should be aware that past performance should not be construed as an indication of future performance and that future returns are not guaranteed. Fees and charges may apply.

While this information is provided in good faith and is derived from sources believed to be accurate and reliable at the time of publication, EAP makes no warranty as to the accuracy or reliability of the information. To the extent permitted by law, EAP accepts no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this information. This document remains the property of EAP and must not be forwarded or otherwise distributed to any other recipient without the express written consent of EAP.