

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation, while reducing risk and preserving capital, through investments in securities within the ASX100 Index that exhibit relatively high levels of governance, social and environmental performance.

PORTFOLIO UPDATE

The Fund returned -1.6% during the month of September on a net asset value basis. Positive contributors to relative performance included the exclusions of Aristocrat Leisure (-10%), AGL Energy (-6%) and AMP Limited (-4%). Aristocrat Leisure experienced a sell off as higher growth stocks partly unwound, while AGL Energy was weaker amid increasing regulatory uncertainty over domestic energy policy. Overweight positions in both CSL Limited (-11%) and The A2 Milk Company (-11%) were key detractors from relative performance with each company partly reversing recent share price gains.

Looking forward, Annual General Meeting season will soon begin, with a key focus on remuneration policy and director accountability. Highlighting the continued pressure investors are placing on corporations regarding corporate social responsibility, a shareholder resolution focused on human rights due diligence will be voted on at the Qantas AGM, while climate change risk reporting is also likely to headline other agendas.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit \$1.84	Unit price \$1.81	Gross assets \$44.3 MILLION	12 month distribution yield (target) 5.0%	Performance since inception (10 July 2018) ¹ 0.9%
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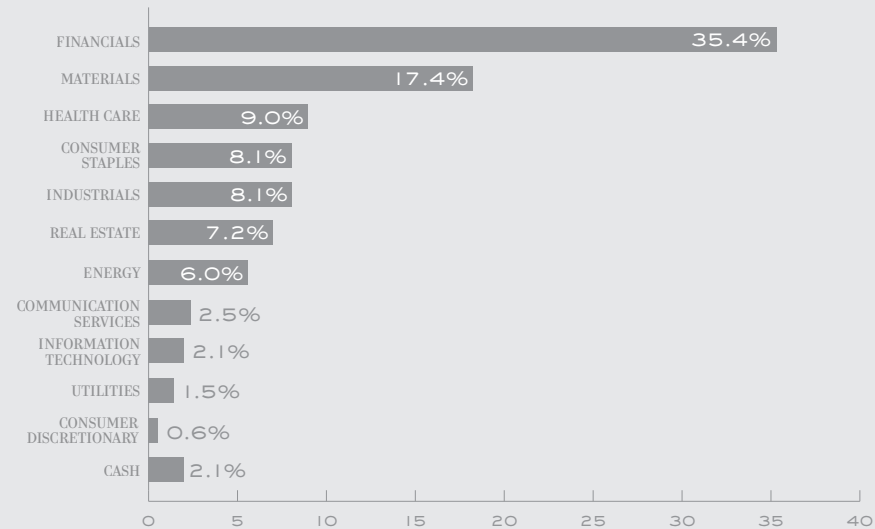
FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	-1.6%	-	-	-	-	-	0.9%
S&P/ASX 100 Index	-1.3%	-	-	-	-	-	0.0%
Excess Return	-0.3%	-	-	-	-	-	1.0%

TOP 10 PORTFOLIO HOLDINGS

ANZ Banking Group	FINANCIALS	National Australia Bank Ltd	FINANCIALS
BHP Billiton Ltd	MATERIALS	Westpac Banking Corp	FINANCIALS
Commonwealth Bank of Australia	FINANCIALS	Wesfarmers Ltd	CONSUMER STAPLES
CSL Ltd	HEALTH CARE	Woolworths Group Ltd	CONSUMER STAPLES
Macquarie Group Ltd	FINANCIALS	Woodside Petroleum Ltd	ENERGY

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 30 September 2018 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 10 July 2018.

TOP 10 EXCLUSIONS

The following are the largest companies excluded from the investment portfolio due to relative governance, social, and environmental performance.

AGL Energy Ltd	UTILITIES	Fortescue Metals Group Ltd	MATERIALS
Ancor Ltd	MATERIALS	Goodman Group	REAL ESTATE
AMP Ltd	FINANCIALS	Ramsay Health Care Ltd	HEALTH CARE
Aristocrat Leisure Ltd	CONSUMER DISCRETIONARY	Tabcorp Holdings Ltd	CONSUMER DISCRETIONARY
CIMIC Group Ltd	INDUSTRIALS	Treasury Wine Estates	CONSUMER STAPLES



PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.40	Suncorp Group Ltd	1.24	Lendlease Group	0.76
BHP Billiton Ltd	7.20	APA Group	1.23	Cochlear Ltd	0.76
CSL Limited	6.49	Computershare Ltd	1.20	Dexus	0.71
Westpac Banking Corporation	6.32	Sydney Airport	1.18	Sonic Healthcare Ltd	0.70
ANZ Banking Group Ltd	5.37	Insurance Australia Group Ltd	1.14	Qantas Airways Ltd	0.67
National Australia Bank Ltd	4.99	QBE Insurance	1.00	Xero Limited	0.66
Wesfarmers Limited	4.33	Unibail-Rodamco-Westfield	0.98	Alumina Ltd	0.64
Woolworths Group Ltd	2.89	Origin Energy Ltd	0.95	CYBG PLC	0.64
Macquarie Group Ltd	2.89	Resmed Inc	0.90	GPT Group	0.62
Woodside Petroleum Ltd	2.87	Stockland	0.89	Reliance Worldwide Corporation	0.60
Telstra Corporation Ltd	2.50	a2 Milk Company Ltd	0.86	Mirvac Group	0.59
Rio Tinto Ltd	2.14	James Hardie Industries	0.86	Vicinity Centres	0.56
Transurban Group Ltd	1.92	Santos Limited	0.85	Aurizon Holdings Ltd	0.53
Scentre Group	1.68	ASX Ltd	0.81	Caltex Australia Ltd	0.53
Brambles Ltd	1.40	Bluescope Steel	0.81	Boral Ltd	0.53
South32 Ltd	1.33	Oil Search Ltd	0.78	Seek Ltd	0.48
Newcrest Mining Ltd	1.33	Medibank Private Ltd	0.77	Outside top 50	7.42
				Cash	2.12

Notes: Data as at 30 September 2018 unless stated. Numbers may not sum due to rounding.





ABOUT WALSH & COMPANY

Walsh & Company is a multi-billion-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 prepared by Walsh & Company Asset Management Pty Limited (**Investment Manager**) (ACN 159 902 708, AFSL 450 257) as investment manager for the Australian Governance & Ethical Index Fund (**Fund**) (ARSN 625 826 646).

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