

INVESTMENT OBJECTIVE

To achieve long-term capital appreciation, while reducing risk and preserving capital, through investments in securities within the ASX 100 Index that exhibit relatively high levels of governance, social and environmental performance.

PORTFOLIO UPDATE

The Fund experienced a challenging month, declining 2.3%, although this compared favourably to the broader Index which declined 2.4% over the same period. Positive contributors included the exclusions of Aristocrat Leisure (-11%), Coca-Cola Amatil (-13%) and CIMIC group (-14%). Conversely, overweight positions in CYBG PLC (-26%) and Woodside Petroleum (-11%) negatively impacted performance. Most notably, ex-NAB division CYBG (which owns regional UK brands such as Clydesdale Bank) fell sharply amid a disappointing earnings result and uncertainty around Brexit negotiations.

Company remuneration became a hot topic over the month, with 'strikes' received by a number of prominent ASX-listed companies. More than 50% of shareholders voted against executive pay at retailer Harvey Norman, while Goodman Group was hit with a first strike after almost half of votes were cast against the remuneration report. Hospital owner Ramsay Healthcare was lucky to avoid a first strike, with 75.1% voting to adopt the report; however, peer Healthscope was less so, with 1 in 3 shareholders voting against the report.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit \$1.70	Unit price \$1.69	Gross assets \$40.1 MILLION	12-month distribution yield (target) 5.0%	Performance since inception (10 July 2018) ¹ -6.8%
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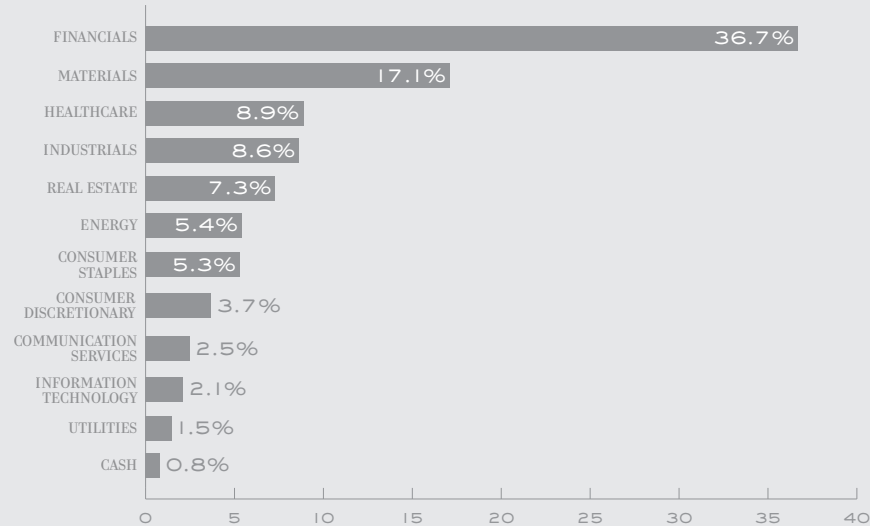
FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	-2.3%	-9.1%	-	-	-	-	-6.8%
S&P/ASX 100 Index	-2.4%	-9.2%	-	-	-	-	-8.0%
Excess Return	0.1%	0.1%	-	-	-	-	1.3%

TOP 10 PORTFOLIO HOLDINGS

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

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 30 November 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
Amcor Ltd	MATERIALS	Goodman Group	REAL ESTATE
AMP Ltd	FINANCIALS	Ramsay Health Care Ltd	HEALTHCARE
Aristocrat Leisure Ltd	CONSUMER DISCRETIONARY	Tabcorp Holdings Ltd	CONSUMER DISCRETIONARY
Coca-Cola Amatil Ltd	CONSUMER STAPLES	Treasury Wine Estates	CONSUMER STAPLES



PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	9.30%	Insurance Australia Group Ltd	1.22%	Medibank Private Ltd	0.71%
BHP Billiton Ltd	7.08%	Computershare Ltd	1.21%	Oil Search Ltd	0.70%
Westpac Banking Corporation	6.52%	APA Group	1.20%	GPT Group	0.70%
CSL Limited	6.35%	South32 Ltd	1.17%	Vicinity Centres	0.63%
ANZ Banking Group Ltd	5.66%	QBE Insurance	1.13%	Reliance Worldwide Corporation	0.61%
National Australia Bank Ltd	4.91%	Coles Group Ltd	1.13%	Aurizon Holdings Ltd	0.61%
Woolworths Group Ltd	3.30%	Resmed Inc	0.94%	Xero Limited	0.60%
Wesfarmers Limited	3.04%	a2 Milk Company Ltd	0.91%	Mirvac Group	0.60%
Macquarie Group Ltd	2.91%	Unibail-Rodamco-Westfield	0.91%	Bluescope Steel	0.59%
Woodside Petroleum Ltd	2.56%	Stockland	0.87%	Alumina Ltd	0.57%
Telstra Corporation Ltd	2.55%	ASX Ltd	0.85%	Lendlease Group	0.55%
Rio Tinto Ltd	2.21%	Origin Energy Ltd	0.83%	Caltex Australia Ltd	0.54%
Transurban Group Ltd	2.16%	Dexus	0.78%	Seek Ltd	0.48%
Scentre Group	1.83%	Qantas Airways Ltd	0.75%	Orica Ltd	0.48%
Newcrest Mining Ltd	1.57%	James Hardie Industries	0.73%	Outside top 50	8.06%
Brambles Ltd	1.47%	Santos Limited	0.72%	Cash	0.82%
Sydney Airport	1.29%	Sonic Healthcare Ltd	0.71%		
Suncorp Group Ltd	1.27%	Cochlear Ltd	0.71%		

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





ABOUT WALSH & COMPANY

Walsh & Company, part of the Evans Dixon Group, 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. It provides access to unique investment strategies not readily accessible to investors and focuses on building high-quality, diversified portfolios.

Adam Coughlan
Head of Distribution
(02) 8662 9792
adam.coughlan@walshandco.com.au

Emmanuel Vergara
Key Account Manager – QLD/WA
(07) 3565 9305
emmanuel.vergara@walshandco.com.au

Charlie Wapshott
Key Account Manager – VIC/SA/TAS
(03) 9411 4066
charlie.wapshott@walshandco.com.au

Reuban Siva
Business Development Manager – NSW
(02) 8662 9790
reuban.siva@walshandco.com.au

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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