

NTA per unit <b>\$1.71</b>	Unit price <b>\$1.69</b>	Gross assets <b>\$40.5 MILLION</b>	12-month distribution yield (target) <b>5.0%</b>	Performance since inception (10 July 2018) <sup>1</sup> <b>-3.4%</b>
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## 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 rebounded strongly in January, returning 3.5%, marginally underperforming the S&P/ASX 100 Index (+3.7%).

Positive contributors included overweight positions in Rio Tinto (+11%), Iluka Resources (+14%) and Oz Minerals (+11%). However, this was partially offset by gains from BHP Group (+6%) - a key exclusion from the portfolio. Domestic iron ore exposed stocks performed strongly following another tragic tailings dam collapse in Brazil, with tightness in seaborne iron ore market expected as supply from Vale – the world's largest producer – is constrained.

We elected to make a number of portfolio changes over the month, particularly in the mining sector. The Fund was repositioned towards those areas we believe are likely to experience growing demand through structural change, with a key focus on the electrification of the transportation industry. We also exited our holding in BHP Group due to increasing concern regarding the company's thermal coal exposure. BHP is also exposed to ongoing regulatory risk in Brazil, with punitive damages from the Samarco tailings dam collapse yet to be finalised.

## PORTFOLIO MANAGER



**Will Hart**  
Portfolio Manager

## FUND PERFORMANCE<sup>1</sup>

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	3.5%	1.2%	-4.4%	-	-	-	-3.4%
S&P/ASX 100 Index	3.7%	1.5%	-4.4%	-	-	-	-4.4%
Excess Return	-0.1%	-0.2%	0.0%	-	-	-	1.0%

## LARGEST ACTIVE POSITIONS

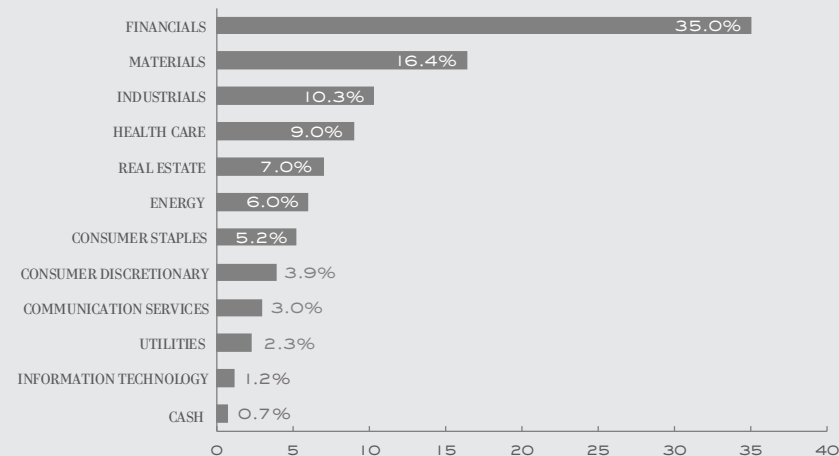
### TOP 10 OVERWEIGHT<sup>2</sup>

Brambles Ltd	Oz Minerals Ltd
Cleanaway Waste Management Ltd	Rio Tinto Ltd
CSL Limited	Unibail-Rodamco-Westfield
Iluka Resources Ltd	Wesfarmers Ltd
Macquarie Group Ltd	Woodside Petroleum Ltd

### TOP 10 UNDERWEIGHT<sup>2</sup>

AGL Energy Ltd	Origin Energy Ltd
Amcor Ltd	Santos Limited
Aristocrat Leisure Ltd	Sonic Healthcare Ltd
BHP Group Ltd	Tabcorp Holdings Ltd
Goodman Group	Treasury Wine Estates Ltd

## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

Notes: Data at 31 January 2019 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. 2. Overweight and underweight positions are relative to S&P/ASX 100 Index weights. Inception 10 July 2018.



## PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.80%	South32 Ltd	1.30%	Qantas Airways	0.66%
CSL Limited	7.33%	Unibail-Rodamco-Westfield	1.22%	Spark Infrastructure	0.66%
Westpac Banking Corporation	6.03%	Suncorp Group Ltd	1.20%	Stockland	0.66%
Rio Tinto Ltd	5.60%	Insurance Australia Group Ltd	1.17%	Computershare Ltd	0.64%
ANZ Banking Group Ltd	5.18%	QBE Insurance	1.05%	Mirvac Group	0.64%
National Australia Bank Ltd	4.66%	Cleanaway Waste Management Ltd	1.03%	Aurizon Holdings Ltd	0.62%
Macquarie Group Ltd	3.59%	Coles Group Ltd	1.01%	Vicinity Centres	0.60%
Woodside Petroleum Ltd	3.50%	Oz Minerals Ltd	1.01%	Reliance Worldwide Corporation	0.55%
Wesfarmers Ltd	3.36%	Iluka Resources	0.99%	Medibank Private	0.52%
Woolworths Group Ltd	3.30%	Bluescope Steel	0.92%	Lendlease Group	0.51%
Telstra Corporation Ltd	2.65%	ASX Ltd	0.89%	James Hardie Industries	0.49%
Transurban Group Ltd	2.27%	A2 Milk Co Ltd	0.86%	Resmed Inc	0.47%
Brambles Ltd	2.08%	Dexus	0.83%	Orica Ltd	0.46%
Newcrest Mining Ltd	2.01%	Cochlear Ltd	0.79%	Evolution Mining	0.43%
Sydney Airport	1.76%	Alumina Ltd	0.79%	Outside Top 50	7.68%
Scentre Group Ltd	1.51%	GPT Group	0.74%	Cash	0.69%
Oil Search Ltd	1.45%	Caltex Australia Ltd	0.72%		
APA Group	1.41%	Fortescue Metals	0.69%		

Notes: Data as at 31 January 2019 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.

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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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