

## 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 continued its recent strong performance, returning 6.1%, outperforming the broader Index (+5.9%) through the recent year-end domestic corporate reporting period.

Positive contributors included overweight positions in Cleanaway (+20%), Rio Tinto (+10%), and Macquarie (+10%), while the exclusions of Treasury Wine (-3%) and Whitehaven Coal (-7%) also benefited performance. Negative contributors included overweight positions in Unibail-Rodamco-Westfield (-9%) and CSL (-0.5%), while the exclusion of BHP (+7%) also impacted performance.

Rio Tinto reported solid full year results while touting their 'green' credentials – with the miner now one of the only large diversified mining companies with no exposure to fossil fuels. Meanwhile, Cleanaway continues to benefit from rising waste volumes and recycling initiatives with a number of state-wide container deposit schemes now implemented. Despite recent improvements, recovery rates of waste material in Australia still significantly lag many developed peers, and we believe Cleanaway is well placed to capitalise on the increased level of investment required following China's ban on waste imports in late 2017.

## PORTFOLIO MANAGER



**Will Hart**  
Portfolio Manager

NTA per unit <b>\$1.82</b>	Unit price <b>\$1.77</b>	Gross assets <b>\$42.6 MILLION</b>	12-month distribution yield (target) <b>5.0%</b>	Performance since inception (10 July 2018) <sup>1</sup> <b>2.5%</b>
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## FUND PERFORMANCE<sup>1</sup>

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	6.1%	10.1%	0.2%	-	-	-	2.5%
S&P/ASX 100 Index	5.9%	10.1%	0.0%	-	-	-	1.3%
Excess Return	0.2%	0.0%	0.2%	-	-	-	1.2%

## LARGEST ACTIVE POSITIONS

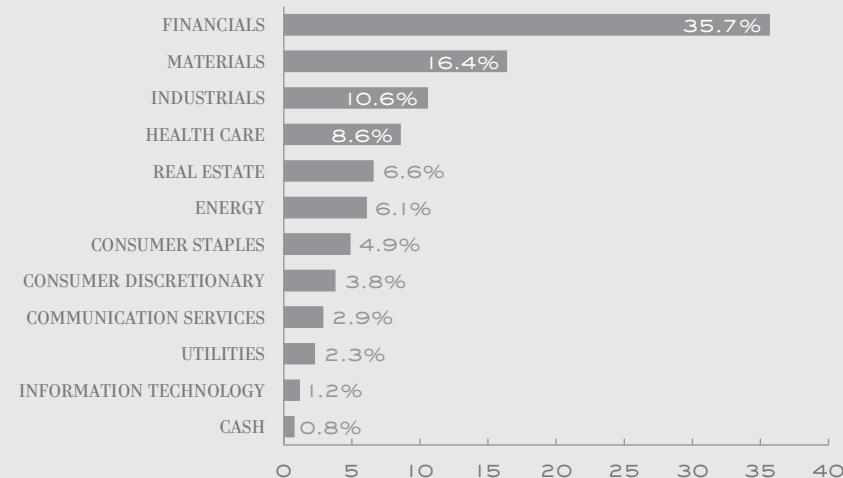
### TOP 10 OVERWEIGHT<sup>2</sup>

Brambles Ltd	Oz Minerals Ltd
Cleanaway Waste Management Ltd	Rio Tinto Ltd
CSL Ltd	Sydney Airport
Macquarie Group Ltd	Wesfarmers Ltd
Oil Search Ltd	Woodside Petroleum Ltd

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

AGL Energy Ltd	Origin Energy Ltd
Amcor Limited	Santos Ltd
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 28 February 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	8.71%	South32 Ltd	1.38%	Cochlear Ltd	0.67%
CSL Limited	6.99%	Suncorp Group Ltd	1.20%	Mirvac Group	0.65%
Westpac Banking Corporation	6.20%	Cleanaway Waste Management Ltd	1.19%	Aurizon Holdings Ltd	0.62%
Rio Tinto Ltd	5.62%	Insurance Australia Group	1.17%	Spark Infrastructure	0.61%
ANZ Banking Group Ltd	5.42%	QBE Insurance	1.16%	Computershare Ltd	0.59%
National Australia Bank Ltd	4.59%	Unibail-Rodamco-Westfield	1.07%	Stockland	0.58%
Macquarie Group Ltd	3.80%	Oz Minerals Ltd	1.02%	Vicinity Centres	0.54%
Woodside Petroleum Ltd	3.55%	Iluka Resources	1.00%	James Hardie Industries	0.54%
Wesfarmers Ltd	3.32%	Bluescope Steel	0.95%	Medibank Private	0.54%
Woolworths Group Ltd	3.09%	A2 Milk Co Ltd	0.94%	Lendlease Group	0.52%
Telstra Corporation Ltd	2.55%	ASX Ltd	0.93%	Resmed Inc	0.51%
Transurban Group	2.23%	Coles Group Ltd	0.88%	Reliance Worldwide Corporation	0.49%
Brambles Ltd	2.20%	Dexus	0.83%	Orica Ltd	0.45%
Newcrest Mining Ltd	1.92%	Alumina Ltd	0.80%	SEEK Ltd	0.44%
Sydney Airport	1.85%	Caltex Australia Ltd	0.73%	Outside Top 50	7.70%
Oil Search Ltd	1.49%	GPT Group	0.72%	Cash	0.78%
APA Group	1.47%	Fortescue Metals	0.71%		
Scentre Group Ltd	1.41%	Qantas Airways	0.67%		

Notes: Data as at 28 February 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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