



**AUSTRALIAN  
GOVERNANCE & ETHICAL  
Index Fund**

**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 0.9%, outperforming the Index (+0.8%). Positive contributors included overweight positions in Rio Tinto (+8.3%) and Woolworths (+6.0%), while the exclusions of AMP (-11%), Whitehaven Coal (-8.0%) and REA Group (-7.8%) also benefited performance. Negative contributors included overweight positions in Woodside (-4.5%) and Alumina (-5.1%), while the exclusion of BHP (+5.6%) also impacted performance.

Considerable news was released over the month regarding the continued shift away from traditional hydrocarbon based fuels. Domestic insurance giant QBE became the 11th insurer globally to announce it would cease underwriting new coal projects from 1 July 2019, and phase out insuring coal projects by 2030. The QBE announcement follows investment banking giant UBS, which announced it would cease offering project finance for new coal projects, and diversified miner Glencore, who announced a 'cap' on coal production amid rising investor pressure. Highlighting the structural changes, Royal Dutch Shell announced a strategic shift away from its core business to become one of the world's largest electricity producers; noting that due to the drive to decarbonize end customers will "only be using electricity".

**PORTFOLIO MANAGER**



**Will Hart**  
Portfolio Manager

NTA per unit <b>\$1.84</b>	Unit price <b>\$1.79</b>	Gross assets <b>\$42.5 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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**FUND PERFORMANCE<sup>1</sup>**

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	0.9%	10.8%	2.3%	-	-	-	3.4%
S&P/ASX 100 Index	0.8%	10.7%	2.2%	-	-	-	2.1%
Excess Return	0.0%	0.1%	0.2%	-	-	-	1.3%

**LARGEST ACTIVE POSITIONS**

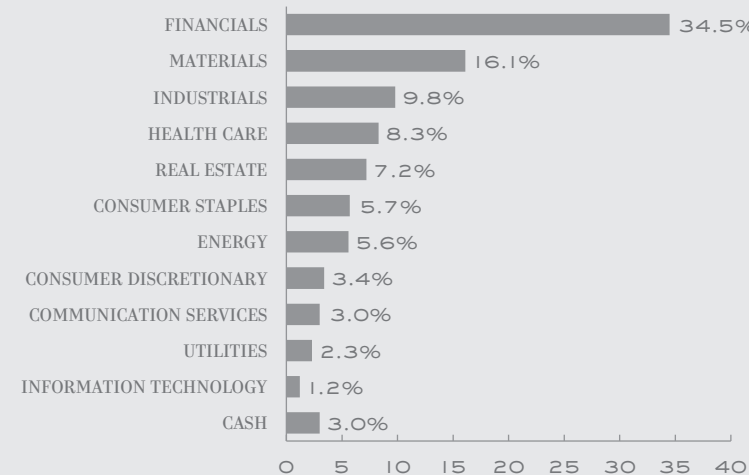
**TOP 10 OVERWEIGHT<sup>2</sup>**

A2 Milk Co Ltd	Rio Tinto Ltd
Cleanaway Waste Management Ltd	Sydney Airport
CSL Ltd	Unibail-Rodamco-Westfield
Macquarie Group Ltd	Woodside Petroleum Ltd
Oz Minerals Ltd	WorleyParsons 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	South32 Ltd
Goodman Group	Treasury Wine Estates Ltd

**SECTOR EXPOSURE**



Source: Investment Manager, Bloomberg

Notes: Data at 31 March 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	8.27%	Scentre Group Ltd	1.46%	Stockland	0.62%
CSL Limited	6.68%	WorleyParsons Ltd	1.26%	Aurizon Holdings Ltd	0.60%
Westpac Banking Corporation	5.92%	Cleanaway Waste Management Ltd	1.21%	Spark Infrastructure	0.60%
Rio Tinto Ltd	5.73%	James Hardie Industries	1.20%	Computershare Ltd	0.57%
ANZ Banking Group Ltd	5.01%	Suncorp Group Ltd	1.19%	Vicinity Centres	0.56%
National Australia Bank Ltd	4.59%	Insurance Australia Group Ltd	1.18%	Ramsay Health Care Ltd	0.55%
Macquarie Group Ltd	3.82%	QBE Insurance	1.12%	Bluescope Steel	0.51%
Woolworths Group Ltd	3.28%	Unibail-Rodamco-Westfield	1.10%	Medibank Private	0.51%
Woodside Petroleum Ltd	3.20%	Alumina Ltd	1.08%	Lendlease Group	0.48%
Wesfarmers Ltd	2.81%	Mirvac Group	1.04%	Reliance Worldwide Corporation	0.47%
Telstra Corporation Ltd	2.63%	Iluka Resources	0.98%	Caltex Australia Ltd	0.45%
Transurban Group Ltd	2.29%	ASX Ltd	0.90%	Orica Ltd	0.44%
Newcrest Mining Ltd	2.01%	Coles Group Ltd	0.89%	Janus Henderson Group	0.43%
Sydney Airport	1.91%	Dexus	0.85%	SEEK Ltd	0.41%
Brambles Ltd	1.72%	Fortescue Metals	0.81%	Outside Top 50	7.12%
A2 Milk Co Ltd	1.48%	GPT Group	0.74%	Cash	3.02%
APA Group	1.47%	Oil Search Ltd	0.69%		
Oz Minerals Ltd	1.47%	Cochlear Ltd	0.66%		

Notes: Data as at 31 March 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.

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  
(05) 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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Past performance of the Fund is not a reliable indicator of the future performance of the Fund.

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