



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

During April the Fund performed strongly, returning 2.3%, in line with the broader Index. Positive contributors to performance included overweight positions in A2 Milk (+17%) and Unibail-Rodamco-Westfield (+6%), while the exclusions of BHP Group (-3%) and South32 (-10%) also benefited performance. Negative contributors included overweight positions in mining companies Oz Minerals (-6%) and Rio Tinto (-3%).

Highlighting the improving economics in the electric transportation industry, new analysis by Bloomberg New Energy Finance estimates that Battery Electric Vehicles (BEV) will become cheaper than internal combustion vehicles by 2022, two years earlier than previously estimated. Seeking to capitalise on this trend, Wesfarmers – having exited its coal investments – disclosed a number of potential acquisitions in the rare earths space, announcing bids for both Kidman Resources and Lynas Corporation. We maintain exposure to this trend via copper producers who we expect will benefit not only from the direct manufacturing of BEVs but also from the infrastructure investment required to meet burgeoning demand.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit \$1.88	Unit price \$1.86	Gross assets \$42.7 MILLION	12-month distribution yield (target) 5.0%	Performance since inception (10 July 2018) ¹ 5.8%
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FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	2.3%	9.5%	10.8%	-	-	-	5.8%
S&P/ASX 100 Index	2.3%	9.2%	10.8%	-	-	-	4.4%
Excess Return	0.1%	0.3%	0.0%	-	-	-	1.4%

LARGEST ACTIVE POSITIONS

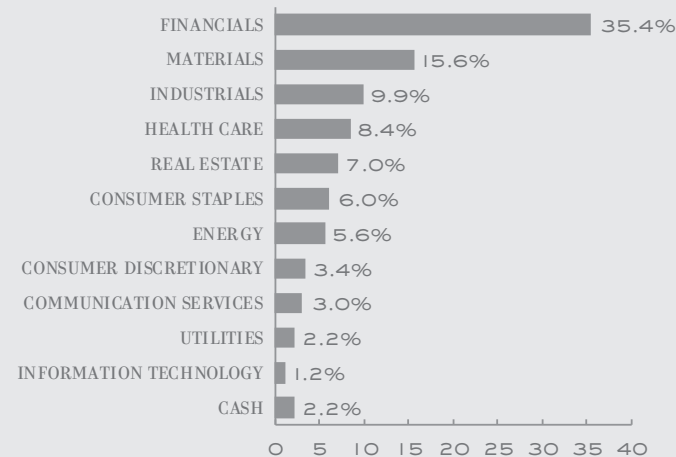
TOP 10 OVERWEIGHT²

A2 Milk Co Ltd	Rio Tinto Ltd
Cleanaway Waste Management Ltd	Sydney Airport
CSL Limited	Unibail-Rodamco-Westfield
Macquarie Group Ltd	Woodside Petroleum Ltd
Oz Minerals Ltd	WorleyParsons Ltd

TOP 10 UNDERWEIGHT²

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 30 April 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	8.59%	Scentre Group Ltd	1.33%	Aurizon Holdings Ltd	0.62%
CSL Limited	6.70%	WorleyParsons Ltd	1.26%	Stockland	0.60%
Westpac Banking Corporation	6.19%	James Hardie Industries	1.26%	Computershare Ltd	0.59%
Rio Tinto Ltd	5.50%	Cleanaway Waste Management Ltd	1.21%	Spark Infrastructure	0.59%
ANZ Banking Group Ltd	5.16%	Insurance Australia Group Ltd	1.19%	Ramsay Health Care Ltd	0.55%
National Australia Bank Ltd	4.53%	QBE Insurance	1.16%	Vicinity Centres	0.53%
Macquarie Group Ltd	3.92%	Unibail-Rodamco-Westfield	1.14%	Reliance Worldwide Corporation	0.53%
Woolworths Group Ltd	3.39%	Suncorp Group Ltd	1.13%	Medibank Private	0.52%
Woodside Petroleum Ltd	3.22%	Mirvac Group	1.06%	Lendlease Group	0.51%
Wesfarmers Ltd	2.88%	Alumina Ltd	0.99%	Bluescope Steel	0.48%
Telstra Corporation Ltd	2.63%	ASX Ltd	0.95%	Caltex Australia Ltd	0.47%
Transurban Group Ltd	2.30%	Coles Group Ltd	0.94%	Orica Ltd	0.46%
Newcrest Mining Ltd	1.95%	Iluka Resources	0.93%	Janus Henderson Group	0.43%
Sydney Airport	1.94%	Dexus	0.83%	SEEK Ltd	0.42%
Brambles Ltd	1.73%	Fortescue Metals	0.80%	Outside Top 50	7.24%
A2 Milk Co Ltd	1.71%	Cochlear Ltd	0.70%	Cash	2.15%
APA Group	1.39%	Oil Search Ltd	0.68%		
Oz Minerals Ltd	1.36%	GPT Group	0.67%		

Notes: Data as at 30 April 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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Past performance of the Fund is not a reliable indicator of the future performance of the Fund.

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