



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 Australian Governance & Ethical Index Fund (Fund) continued its recent strong performance, returning 3.2% and outperforming the broader S&P/ASX 100 Index (+2.8%).

Positive contributors this month included overweight positions in milk and infant formula maker The a2 Milk Company (+24%) and retailer JB Hi-Fi (+16%), while the exclusions of iron ore-focused miners Fortescue Metals (-8%) and BHP Group (-1%) also benefited Fund performance. Negative contributors included the exclusion of Magellan Financial Group (+21%) and Treasury Wine Estates (+19%), while the portfolio's cash holding was also a drag on performance.

An area of increasing focus for us has been understanding the product lifecycle of the goods produced by our portfolio companies, with a key focus on plastics given their lack of bio-degradability. While some plastics have enormous social benefits (for example in healthcare, food preservation and light weighting), much of the plastic produced is single use in nature. As such, we believe understanding the opportunities and costs associated with a reduce, reuse, recycle framework will be important in identifying the winners and losers from this trend.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit \$2.01	Unit price (AGM) \$1.98	Gross assets \$42.4 MILLION	12-month distribution yield (target: 5%) 4.5%	Performance since inception (10 July 2018) ¹ 14.9%
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FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	5 YEARS	5 YEARS	SINCE INCEPTION
NTA	3.2%	9.5%	19.9%	14.6%	-	-	14.9%
S&P/ASX 100 Accumulation Index	2.8%	9.1%	19.2%	14.0%	-	-	13.1%
Excess Return	0.4%	0.4%	0.7%	0.6%	-	-	1.7%

Note: Numbers may not sum due to rounding.

LARGEST ACTIVE POSITIONS

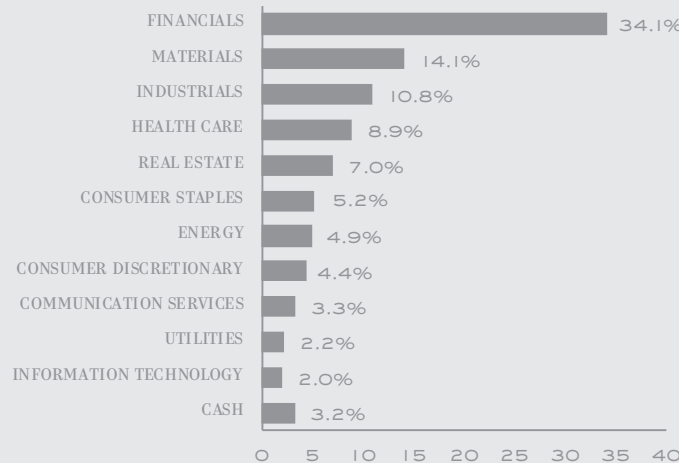
TOP 10 OVERWEIGHT²

Cleanaway Waste Management Ltd	Reliance Worldwide Corporation
CSL Limited	Rio Tinto Ltd
Macquarie Group Ltd	SEEK Ltd
Newcrest Mining Ltd	Wesfarmers Ltd
Oz Minerals Ltd	WorleyParsons Ltd

TOP 10 UNDERWEIGHT²

AGL Energy Ltd	Goodman Group
Amcor Limited	Origin Energy Ltd
Aristocrat Leisure Ltd	Santos Ltd
BHP Group Ltd	Sonic Healthcare Ltd
Fortescue Metals	South32 Ltd

SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

PERFORMANCE CHART¹



Notes: Data at 31 July 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. Chart data range: 10 July 2018 to 31 July 2019. Initial index value 1,000. Index Source: Bloomberg.



PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.76%	Insurance Australia Group Ltd	1.20%	Spark Infrastructure	0.60%
CSL Limited	7.35%	SEEK Ltd	1.19%	Medibank Private	0.60%
Westpac Banking Corporation	5.95%	Computershare Ltd	1.18%	Ramsay Health Care Ltd	0.57%
Rio Tinto Ltd	5.28%	Mirvac Group	1.18%	Oil Search Ltd	0.57%
ANZ Banking Group Ltd	4.88%	Suncorp Group Ltd	1.06%	Pendal Group Ltd	0.54%
National Australia Bank Ltd	4.71%	ASX Ltd	1.04%	James Hardie Industries	0.54%
Wesfarmers Ltd	3.49%	QBE Insurance	1.03%	Lendlease Group	0.51%
Macquarie Group Ltd	3.28%	Reliance Worldwide Corporation	1.01%	Northern Star Resources Ltd	0.51%
Telstra Corporation Ltd	2.86%	Alumina Ltd	1.01%	Vicinity Centres	0.50%
Woolworths Group Ltd	2.83%	Coles Group Ltd	0.98%	Orica Ltd	0.49%
Transurban Group Ltd	2.45%	Unibail-Rodamco-Westfield	0.93%	Evolution Mining	0.46%
Newcrest Mining Ltd	2.38%	Dexus	0.86%	Outside top 50	6.21%
Woodside Petroleum Ltd	1.97%	Orora Ltd	0.81%	Cash	3.20%
Sydney Airport	1.75%	JB HI-FI Ltd	0.79%		
WorleyParsons Ltd	1.70%	Cochlear Ltd	0.76%		
APA Group	1.42%	GPT Group	0.70%		
Oz Minerals Ltd	1.38%	Aurizon Holdings Ltd	0.69%		
Brambles Ltd	1.37%	Stockland	0.68%		

Notes: Data as at 31 July 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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