



## 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) was down 2.1% during the month, in line with the broader S&P/ASX 100 Index (-2.1%).

Top contributors to performance were JB-Hi Fi (+11%) and CSL (+5%), while the exclusion of coal exposed miners BHP Group (-11%) and South32 (-16%) also impacted positively on relative returns. Conversely, overweight positions in WorleyParsons (-23%) and Rio Tinto (-8%) negatively impacted the Fund's performance.

The importance, value and use of data has increased significantly in recent times. Accordingly data security is an important consideration in the stock selection for the Fund. Highlighting the potential impacts to business from lax data security oversight, Capitol One Financial – the US's seventh largest commercial bank – was impacted by a data breach that affected around 100 million customers. Meanwhile, consumer credit company Equifax agreed to pay at least US\$700m to settle lawsuits regarding a breach in 2017. These examples show the gravity of cyber risk oversight, the impact it can have on shareholder value, and why we monitor company practices, alongside the changing regulatory landscape.

## PORTFOLIO MANAGER



Will Hart  
Portfolio Manager

NTA per unit <b>\$1.97</b>	Unit price (AGM) <b>\$1.91</b>	Gross assets <b>\$40.3 MILLION</b>	12-month distribution yield (target: 5%) <b>4.6%</b>	Annualised performance since inception (14 May 2018) <sup>1</sup> <b>11.6%</b>
-------------------------------	-----------------------------------	---------------------------------------	---	---

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

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	5 YEARS	5 YEARS	SINCE INCEPTION (P.A.)
NTA	-2.1%	5.1%	10.6%	10.8%	-	-	11.6%
S&P/ASX 100 Accumulation Index	-2.1%	4.6%	10.2%	10.2%	-	-	10.1%
Excess Return	0.0%	0.4%	0.5%	0.7%	-	-	1.6%

Note: Numbers may not sum due to rounding.

## LARGEST ACTIVE POSITIONS

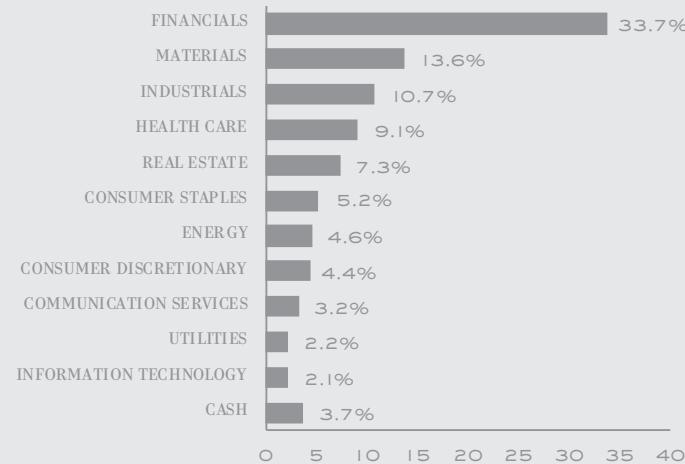
### TOP 10 OVERWEIGHT<sup>2</sup>

Cleanaway Waste Management Ltd	Reliance Worldwide Corp Ltd
CSL Limited	Rio Tinto Ltd
Macquarie Group Ltd	Seek Ltd
Newcrest Mining Ltd	Wesfarmers Ltd
Oz Minerals Ltd	Worleyparsons Ltd

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

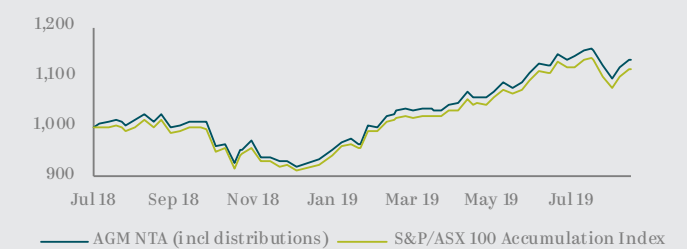
Ancor PLC	Origin Energy Ltd
Aristocrat Leisure Ltd	Santos Ltd
BHP Group Ltd	Sonic Healthcare Ltd
Fortescue Metals Group Ltd	South32 Ltd
Goodman Group	Treasury Wine Estates Ltd

## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

## PERFORMANCE CHART<sup>1</sup>



Notes: Data at 31 August 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 14 May 2018. Chart data range: 10 July 2018 to 31 August 2019. Initial index value 1,000. Index Source: Bloomberg.



## PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.58%	Computershare Ltd	1.22%	Aurizon Holdings Ltd	0.73%
CSL Limited	7.57%	Mirvac Group	1.20%	Orora Ltd	0.71%
Westpac Banking Corporation	5.98%	SEEK Ltd	1.19%	Stockland	0.68%
Rio Tinto Ltd	4.96%	A2 Milk Co Ltd	1.19%	Medibank Private	0.64%
ANZ Banking Group Ltd	4.77%	Insurance Australia Group Ltd	1.15%	Lendlease Group	0.63%
National Australia Bank Ltd	4.61%	Cleanaway Waste Management Ltd	1.12%	Spark Infrastructure	0.62%
Wesfarmers Ltd	3.57%	Brambles Ltd	1.11%	James Hardie Industries	0.61%
Macquarie Group Ltd	3.24%	Suncorp Group Ltd	1.10%	Oil Search Ltd	0.56%
Woolworths Group Ltd	3.06%	Reliance Worldwide Corporation	1.08%	Ramsay Health Care Ltd	0.54%
Telstra Corporation Ltd	2.73%	QBE Insurance	1.05%	Vicinity Centres	0.53%
Newcrest Mining Ltd	2.62%	ASX Ltd	1.03%	Orica Ltd	0.51%
Transurban Group Ltd	2.50%	Alumina Ltd	0.99%	Evolution Mining	0.50%
Woodside Petroleum Ltd	1.85%	Coles Group Ltd	0.97%	Northern Star Resources Ltd	0.49%
Sydney Airport	1.81%	Unibail-Rodamco-Westfield	0.94%	Pendal Group Ltd	0.49%
APA Group	1.41%	JB HI-FI Ltd	0.89%	Outside top 50	6.17%
Scentre Group Ltd	1.33%	Dexus	0.87%	Cash	3.73%
WorleyParsons Ltd	1.33%	Cochlear Ltd	0.80%		
Oz Minerals Ltd	1.29%	GPT Group	0.77%		

Notes: Data as at 31 August 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  
T: (02) 8662 9792 M: 0418 653 560  
adam.coughlan@walshandco.com.au

Andrew Fitzpatrick  
Business Development Associate – NSW/QLD  
T: (02) 8662 9743 M: 0400 456 570  
andrew.fitzpatrick@walshandco.com.au

Emmanuel Vergara  
Key Account Manager – QLD/WA  
T: (07) 5565 9305 M: 0467 773 162  
emmanuel.vegara@walshandco.com.au

Charlie Wapshott  
Key Account Manager – VIC/SA/TAS  
T: (03) 9411 4066 M: 0456 040 613  
charlie.wapshott@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).

This report may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs.

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

This report may contain statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not provide to be correct. The Investment Manager and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of them) (**Parties**) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and the Parties assume no obligation to update that information.

The S&P/ASX 100 (“Index”) is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by the Investment Manager. Copyright © 2018 S&P Dow Jones Indices LLC, a division of S&P Global, Inc., and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC’s indices please visit [www.spdji.com](http://www.spdji.com). S&P® is a registered trademark of S&P Global and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

