

NTA per unit <b>\$2.07</b>	Unit price (AGM) <b>\$2.03</b>	Gross assets <b>\$38.2 MILLION</b>	12-month distribution yield (target: 5%) <b>4.4%</b>	Annualised performance since inception (10 July 2018) <sup>1</sup> <b>13.5%</b>
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## 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) rose 3.3% in November, marginally underperforming the S&P/ASX 100 Index (+3.4%). Positive contributors included recent acquisition Virgin Money (VUK, +29%) and A2 Milk (+23%), while detractors included the exclusions of Amcor (+11%) and BHP (+6%). The Fund's cash holding was also a detractor given strong market returns.

During the month, we elected to reduce the Fund's holding in Westpac (WBC, -10%), following AUSTRAC proceedings for breaches of the Anti-Money Laundering and Counter Terrorism Financing Act. While key executives have now announced their departures, the initial response presented poorly on the internal culture, accountability and oversight inherent within the organisation. Given the political environment, we anticipate the regulatory response will be considerable, and note a number of key government banking contracts are also likely at risk.

The Fund has retained a small position in WBC, with further developments and accountability practices to be closely monitored. Proceeds from the transaction were used to increase exposure to VUK, which pleasingly paid immediate dividends with the company's share price appreciating significantly post-acquisition, following the release of better-than-expected earnings results.

## PORTFOLIO MANAGER



**Will Hart**  
Portfolio Manager

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

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	5 YEARS	5 YEARS	SINCE INCEPTION (P.A.)
NTA	3.3%	5.2%	10.5%	28.2%	-	-	13.5%
S&P/ASX 100 Accumulation Index	3.4%	4.9%	9.7%	27.2%	-	-	11.9%
Excess Return	-0.1%	0.3%	0.8%	1.0%	-	-	1.6%

Note: Numbers may not sum due to rounding.

## LARGEST ACTIVE POSITIONS

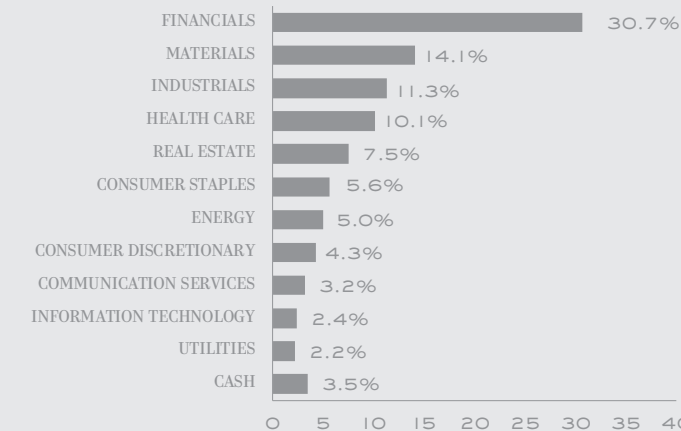
### TOP 10 OVERWEIGHT<sup>2</sup>

Cleanaway Waste Management Ltd	SEEK Ltd
Macquarie Group Ltd	Unibail-Rodamco-Westfield
Oz Minerals Ltd	Virgin Money UK Plc
Reliance Worldwide Corp Ltd	Wesfarmers Ltd
Rio Tinto Ltd	Worley Ltd

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

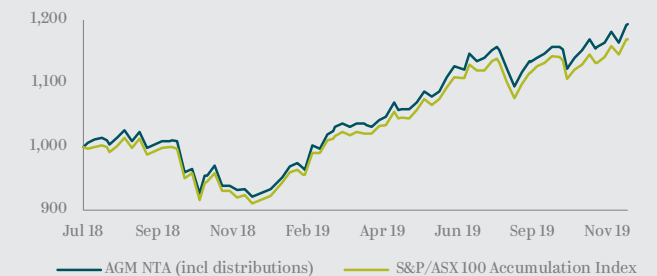
Amcor Plc	Origin Energy Ltd
Aristocrat Leisure	Santos Ltd
BHP Group Ltd	Sonic Healthcare Ltd
Fortescue Metals Group	South32 Ltd
Goodman Group	Westpac Banking Corporation

## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

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



Notes: Data at 30 November 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 30 November 2019. Initial index value 1,000. Index Source: Bloomberg.



## PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.67%	SEEK Ltd	1.35%	James Hardie Industries	0.78%
CSL Limited	8.39%	A2 Milk Co Ltd	1.33%	Stockland	0.75%
Rio Tinto Ltd	5.40%	Scentre Group Ltd	1.28%	GPT Group	0.72%
National Australia Bank Ltd	4.55%	Mirvac Group	1.26%	Lendlease Group	0.71%
ANZ Banking Group Ltd	4.38%	Brambles Ltd	1.21%	Aurizon Holdings Ltd	0.70%
Wesfarmers Ltd	3.86%	Virgin Money UK Plc	1.20%	Oil Search Ltd	0.62%
Macquarie Group Ltd	3.65%	Reliance Worldwide Corp Ltd	1.18%	Spark Infrastructure	0.62%
Woolworths Group Ltd	3.18%	Cleanaway Waste Management Ltd	1.17%	Ramsay Health Care Ltd	0.59%
Telstra Corporation Ltd	2.80%	Coles Group Ltd	1.13%	Medibank Private	0.57%
Westpac Banking Corporation	2.53%	Unibail-Rodamco-Westfield	1.11%	Orica Ltd	0.56%
Transurban Group Ltd	2.44%	Insurance Australia Group Ltd	1.11%	Caltex Australia Ltd	0.55%
Newerest Mining Ltd	2.17%	QBE Insurance	1.09%	Xero Ltd	0.54%
Woodside Petroleum Ltd	1.97%	Alumina Ltd	1.08%	Vicinity Centres	0.53%
Sydney Airport	1.97%	Suncorp Group Ltd	1.02%	Bluescope Steel	0.47%
Worley Ltd	1.62%	ASX Ltd	1.00%	Outside top 50	5.89%
Oz Minerals Ltd	1.49%	Orora Ltd	0.86%	Cash	3.52%
APA Group	1.41%	Dexus	0.83%		
Computershare Ltd	1.40%	Cochlear Ltd	0.81%		

Notes: Data as at 30 November 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 authorised for release by the Board of Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433), as responsible entity for the Australian Governance & Ethical Index Fund (**Fund**) (ARSN 625 826 646).

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 Fund.

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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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