

NTA per unit <b>\$2.08</b>	Unit price (AGM) <b>\$2.04</b>	Gross assets <b>\$37.7 MILLION</b>	12-month distribution yield (target: 5%) <b>4.3%</b>	Annualised performance since inception (10 July 2018) <sup>1</sup> <b>13.8%</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) returned 4.8% for January, behind the broader index (+5.1%). Positive contributors included overweight positions in healthcare giant CSL (+13%) and plumbing group Reliance Worldwide (+11%), while the exclusion of wine maker Treasury Wine (-20%) also benefited relative performance. Negative contributors included overweight positions in diversified miner Rio Tinto (-2%) and copper producer OZ Minerals (-4%), while the exclusion of buy-now-pay-later group Afterpay (+32%) also impacted relative performance.

Across the globe, regulatory developments regarding environmental, social and governance (ESG) integration are gathering pace. The recently elected UK Prime Minister, Boris Johnson, announced that the UK will bring forward a ban on purchasing new petrol, diesel or hybrid cars from 2040 to 2035. Meanwhile, European regulators finalised a requirement that all professional investors and financial advisors disclose the manner in which ESG risks are being integrated into investment decision-making or advice. These trends continue to highlight the increasing importance ESG factors will play in investment markets for the foreseeable future.

## 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	4.8%	6.0%	5.7%	26.7%	-	-	13.8%
S&P/ASX 100 Accumulation Index	5.1%	6.2%	5.5%	25.7%	-	-	12.5%
Excess Return	-0.3%	-0.2%	0.2%	1.0%	-	-	1.3%

Note: Numbers may not sum due to rounding.

## LARGEST ACTIVE POSITIONS

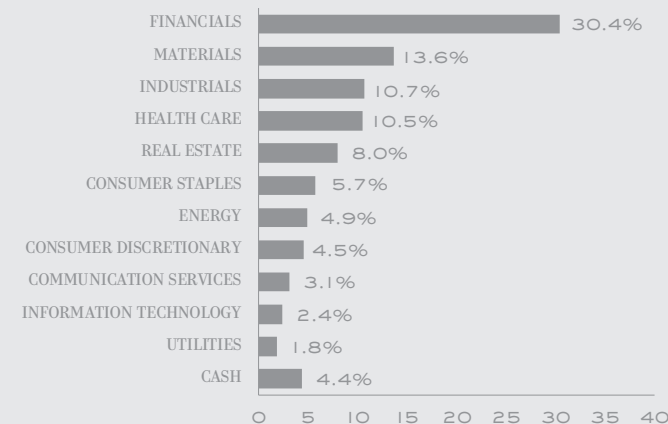
### TOP 10 OVERWEIGHT<sup>2</sup>

Computershare Ltd	Rio Tinto Ltd
Lendlease Group	SEEK Ltd
Macquarie Group Ltd	Virgin Money UK Plc
Oz Minerals Ltd	Wesfarmers Ltd
Reliance Worldwide Corp Ltd	Worley Ltd

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

Ancor 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 31 January 2020 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 January 2020. Initial index value 1,000. Index Source: Bloomberg.



## PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	8.83%	A2 Milk Co Ltd	1.32%	Cochlear Ltd	0.81%
CSL Limited	8.83%	SEEK Ltd	1.30%	Dexus	0.81%
Rio Tinto Ltd	5.09%	Mirvac Group	1.29%	Cleanaway Waste Management Ltd	0.74%
ANZ Banking Group Ltd	4.39%	Reliance Worldwide Corporation	1.28%	Stockland	0.71%
National Australia Bank Ltd	4.38%	Virgin Money UK Plc	1.22%	GPT Group	0.68%
Wesfarmers Ltd	4.05%	Scentre Group Ltd	1.21%	Ramsay Health Care Ltd	0.65%
Macquarie Group Ltd	3.57%	Brambles Ltd	1.18%	Aurizon Holdings Ltd	0.63%
Woolworths Group Ltd	3.24%	Sydney Airport	1.11%	Oil Search Ltd	0.56%
Telstra Corporation Ltd	2.68%	Coles Group Ltd	1.10%	Xero Ltd	0.54%
Westpac Banking Corporation	2.62%	QBE Insurance	1.10%	Caltex Australia Ltd	0.53%
Transurban Group Ltd	2.42%	Qube Holdings Ltd	1.03%	Northern Star Resources Ltd	0.52%
Newcrest Mining Ltd	2.05%	Alumina Ltd	1.00%	Medibank Private	0.50%
Woodside Petroleum Ltd	1.92%	Unibail-Rodamco-Westfield	1.00%	Orica Ltd	0.50%
WorleyParsons Ltd	1.61%	ASX Ltd	0.98%	Vicinity Centres	0.48%
Lendlease Group	1.48%	Insurance Australia Group Ltd	0.96%	Outside top 50	5.85%
APA Group	1.42%	Suncorp Group Ltd	0.95%	Cash	4.39%
Oz Minerals Ltd	1.41%	Orora Ltd	0.84%		
Computershare Ltd	1.39%	James Hardie Industries	0.83%		

Notes: Data as at 31 January 2020 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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