

NTA per unit <b>\$1.71</b>	Unit price (AGM) <b>\$1.63</b>	Gross assets <b>\$28.1 MILLION</b>	12-month distribution yield (target: 5%) <b>5.3%</b>	Annualised performance since inception (10 July 2018) <sup>1</sup> <b>0.6%</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 3.4%, underperforming a strong market (S&P/ASX 100 Index), which returned +3.8%. Positive contributors included overweight positions in logistics company Qube (+25%) and diversified financial conglomerate Macquarie Group (+9%), while the exclusion of wine maker Treasury Wine (-5%) also benefited performance. Negative contributors included the exclusions of buy-now-pay-later group Afterpay (+52%), and iron-ore exposed miners BHP Group (+7%) and Fortescue Metals (+16%).

As global governments seek to stimulate economies following the COVID-19 crises, policy makers are targeting spending measures focused on tackling longer term environmental issues. The European Union has announced a comprehensive ~\$1.2 trillion economic recovery-plan centred on renewable energy, clean transport, smart energy and emissions reductions. Evidence suggests sustainable infrastructure has clear economic benefits; for example, the labour intensity of building and installing renewable energy infrastructure results in the creation of twice as many jobs compared to fossil fuel investments (on a dollar-for-dollar basis). These policy directives will continue to speed the transformation of traditional energy generation networks.

## PORTFOLIO MANAGER



**Will Hart**  
Portfolio Manager

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

	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION (P.A.)
NTA	3.4%	-11.3%	-15.3%	-6.4%	-	-	0.6%
S&P/ASX 100 Accumulation Index	3.8%	-10.7%	-15.2%	-7.0%	-	-	-0.4%
Excess Return	-0.5%	-0.6%	-0.1%	0.6%	-	-	1.0%

Note: Numbers may not sum due to rounding.

## LARGEST ACTIVE POSITIONS

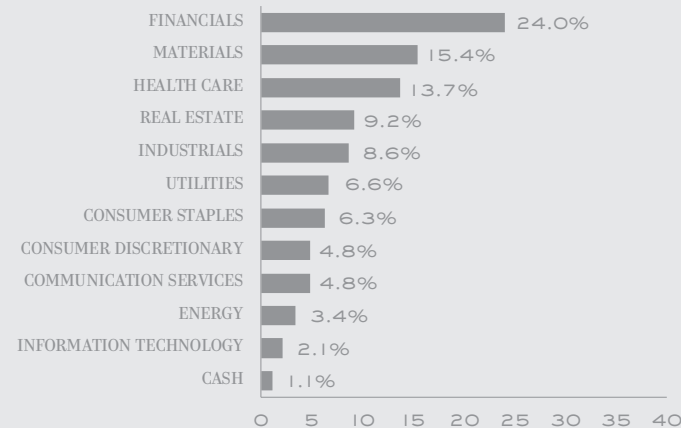
### TOP 10 OVERWEIGHT<sup>2</sup>

Altium Ltd	National Australia Bank Ltd
APA Group	Newcrest Mining Ltd
Cochlear Ltd	Oz Minerals Ltd
CSL Limited	Rio Tinto Ltd
Macquarie Group Ltd	Virgin Money UK Plc

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

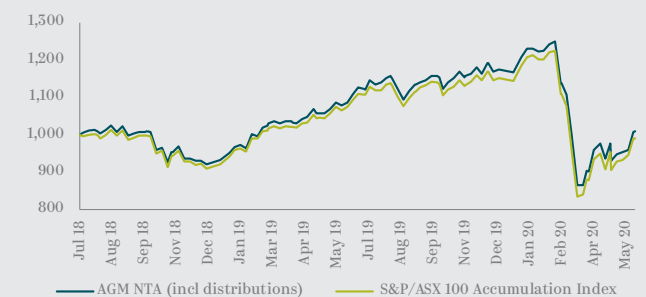
Afterpay Ltd	Fortescue Metals Group
AGL Energy Ltd	Goodman Group
Ameor Plc	Origin Energy Ltd
Aristocrat Leisure	Sonic Healthcare Ltd
BHP Group Ltd	South32 Ltd

## SECTOR EXPOSURE



Source: Investment Manager, Bloomberg

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



Notes: Data at 31 May 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 May 2020. Initial index value 1,000. Index Source: Bloomberg.



## PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
CSL Limited	9.84%	Mirvac Group	1.42%	Aurizon Holdings Ltd	0.70%
Commonwealth Bank of Australia	8.26%	Coles Group Ltd	1.38%	Xero Ltd	0.67%
National Australia Bank Ltd	5.14%	Qube Holdings Ltd	1.32%	Stockland	0.64%
ANZ Banking Group Ltd	4.42%	Virgin Money UK Plc	1.16%	Magellan Financial Group Ltd	0.63%
Macquarie Group Ltd	3.92%	Atlas Arteria	1.16%	Medibank Private	0.58%
Telstra Corporation Ltd	3.47%	Altium Ltd	1.12%	GPT Group	0.57%
Woolworths Group Ltd	3.42%	Insurance Australia Group Ltd	1.04%	Lendlease Group	0.56%
Wesfarmers Ltd	3.37%	QBE Insurance	0.99%	Ampol Ltd	0.52%
Newcrest Mining Ltd	2.86%	Ramsay Health Care Ltd	0.96%	SEEK Ltd	0.52%
Transurban Group Ltd	2.74%	Alumina Ltd	0.92%	Oil Search Ltd	0.51%
Brambles Ltd	1.88%	Cleanaway Waste Management Ltd	0.89%	Orica Ltd	0.51%
APA Group	1.87%	Scentre Group Ltd	0.88%	Computershare Ltd	0.50%
ASX Ltd	1.78%	Suncorp Group Ltd	0.85%	<b>Outside top 50</b>	<b>5.91%</b>
Oz Minerals Ltd	1.75%	James Hardie Industries	0.85%	<b>Cash</b>	<b>1.12%</b>
Cochlear Ltd	1.75%	Iluka Resources	0.83%		
Sydney Airport	1.73%	Northern Star Resources Ltd	0.79%		
Woodside Petroleum Ltd	1.56%	Evolution Mining	0.77%		
A2 Milk Co Ltd	1.52%	Santos Ltd	0.70%		

Notes: Data as at 31 May 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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