



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 3.9% in June, capping a remarkable 6-month period in which the Fund returned 20.3%. Positive contributors this month included overweight positions in gold and copper producers Newcrest Mining (+17%) and Oz Minerals (+11%), while the exclusions of coal exposed companies South32 (-4%) and AGL Energy (-3%) also benefited performance. Negative contributors included overweight positions in the A2 Milk Company (-6%) and the exclusions of both Goodman Group (+13%) and BHP Group (+9%).

Clean energy researcher Bloomberg New Energy Finance unveiled its New Energy Outlook, with the key headline that solar and wind are now cheaper sources of new generation than fossil fuels for two thirds of the world's population. Other topics of note include the decentralisation of energy systems through declining costs of rooftop solar and behind-the-meter battery systems, and the changing economics of peaking plants through battery substitution. These developments will have far reaching industry impacts, with traditional business models associated with electricity generation and distribution appearing most at risk.

PORTFOLIO MANAGER



Will Hart
Portfolio Manager

NTA per unit \$1.95	Unit price (AGM) \$1.93	Gross assets \$42.0 MILLION	12-month distribution yield (target: 5%) 7.0%	Performance since inception (10 July 2018) ¹ 12.2%
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FUND PERFORMANCE¹

	1 MONTH	3 MONTH	6 MONTH	1 YEAR	3 YEARS	5 YEARS	SINCE INCEPTION
NTA (%)	3.9%	8.5%	20.3%	-	-	-	12.2%
S&P/ASX 100 Index	4.0%	8.6%	20.2%	-	-	-	10.9%
Excess Return	0.0%	0.0%	0.1%	-	-	-	1.3%

Note: Numbers may not sum due to rounding.

LARGEST ACTIVE POSITIONS

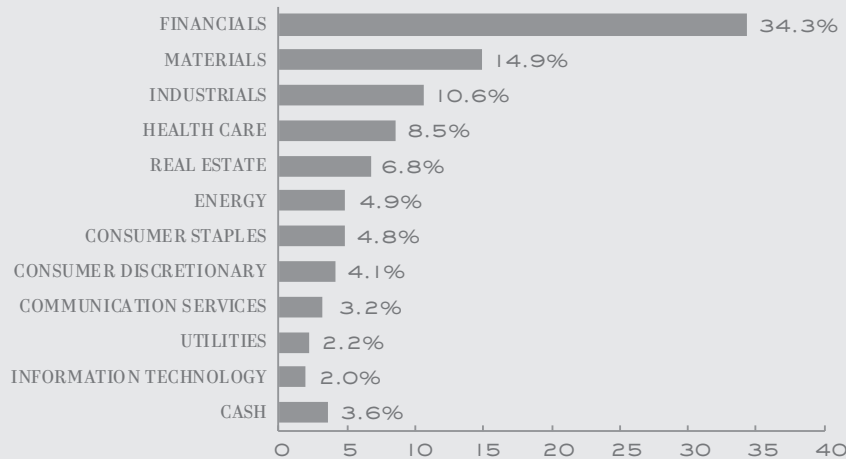
TOP 10 OVERWEIGHT²

Cleanaway Waste Management Ltd	Reliance Worldwide Corporation
CSL Limited	Rio Tinto Ltd
Iluka Resources	SEEK Ltd
Macquarie Group Ltd	Unibail-Rodamco-Westfield
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

Notes: Data at 30 June 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.



PORTFOLIO HOLDINGS

COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)	COMPANY	WEIGHT (%)
Commonwealth Bank of Australia	9.04%	Scentre Group Ltd	1.27%	JB HI-FI Ltd	0.69%
CSL Limited	6.99%	Cleanaway Waste Management Ltd	1.25%	GPT Group	0.69%
Westpac Banking Corporation	6.05%	Computershare Ltd	1.23%	Aurizon Holdings Ltd	0.67%
Rio Tinto Ltd	5.63%	SEEK Ltd	1.22%	Stockland	0.63%
ANZ Banking Group Ltd	5.07%	Insurance Australia Group Ltd	1.18%	Spark Infrastructure	0.63%
National Australia Bank Ltd	4.53%	A2 Milk Co Ltd	1.16%	Medibank Private	0.60%
Wesfarmers Ltd	3.27%	Mirvac Group	1.16%	Oil Search Ltd	0.58%
Macquarie Group Ltd	3.25%	Iluka Resources	1.15%	Ramsay Health Care Ltd	0.58%
Telstra Corporation Ltd	2.84%	Suncorp Group Ltd	1.08%	James Hardie Industries	0.51%
Woolworths Group Ltd	2.71%	Alumina Ltd	1.02%	Pendal Group Ltd	0.51%
Transurban Group Ltd	2.39%	QBE Insurance	1.00%	Vicinity Centres	0.49%
Newcrest Mining Ltd	2.17%	ASX Ltd	0.99%	Orica Ltd	0.47%
Woodside Petroleum Ltd	2.11%	Reliance Worldwide Corporation	0.98%	Lendlease Group	0.47%
Sydney Airport	1.71%	Unibail-Rodamco-Westfield	0.95%	Northern Star Resources Ltd	0.46%
WorleyParsons Ltd	1.57%	Coles Group Ltd	0.94%	Outside top 50	6.16%
APA Group	1.37%	Dexus	0.87%	Cash	3.58%
Oz Minerals Ltd	1.36%	Orora Ltd	0.79%		
Brambles Ltd	1.27%	Cochlear Ltd	0.74%		

Notes: Data as at 30 June 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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Past performance of the Fund is not a reliable indicator of the future performance of the Fund.

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