WATERSHED

FUNDS MANAGEMENT

Monthly Update June 2019

Watershed Microcap Portfolio

Investment Profile

A Professionally Managed Portfolio of Australian Shares

The Watershed Microcap Portfolio is a separately managed account, or SMA, actively managed by Watershed Funds Management. SMAs are professionally managed portfolios of direct shares whereby the investor receives beneficial ownership of the underlying securities.

Investment Objective

The objective of the Watershed Microcap Portfolio is to provide investors with long-term capital growth from a concentrated portfolio of stocks with an initial Market Capitalisation less than $300M. The Portfolio aims to outperform the S&P/ASX Emerging Companies Accumulation Index over the longer term (at least five years) by 2-3% per annum, by undertaking rigorous bottom up stock analysis and active portfolio management.

Key Portfolio Features	
Inception	30th October 2017
Benchmark	S&P/ASX Emerging Companies Acc Index
Authorised Investments	ASX listed companies with Market Capitalisation less than $300M
Number of Stocks	15-30
Cash Allocation	2-40%
Investment Horizon	At least 5 years

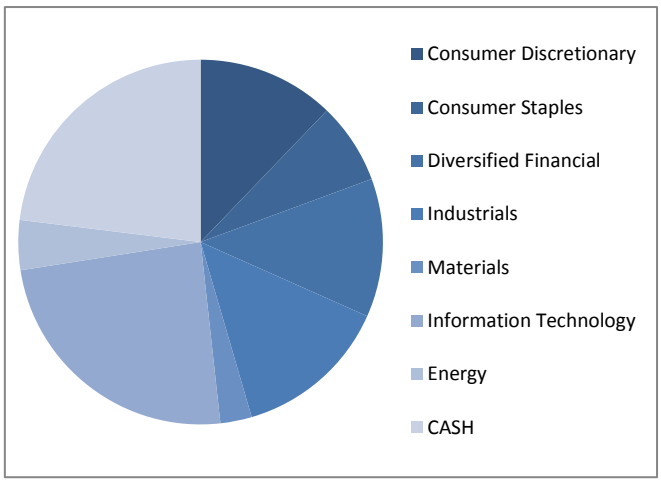
The Portfolio is designed for investors who…

- Seek long term capital growth
- Have a longer -term investment horizon of at least five years and accept the risk of significant price fluctuations.

Portfolio Structure

No.	Company Name	ASX Code
1	Alliance Aviation	AQZ
2	RuralCo Holdings	RHL
3	Centuria Capital	CNI
4	GBST Holdings	GBT
5	Johns Lyng Group	JLG

GICS Sector	
Consumer Discretionary	12.18%
Consumer Staples	7.20%
Diversified Financial	12.28%
Industrials	13.82%
Materials	2.79%
Information Technology	24.26%
Energy	4.42%
CASH	23.05%
TOTAL	**100%**



Performance

Gross Performance (%)	1m	3m	6m	1yr	Inception*
WFM Microcap SMA	0.74%	5.95%	17.89%	4.09%	**7.68%**
S&P Emerging Companies	(0.37%)	6.07%	19.12%	(2.89%)	
Relative Performance	1.11%	(0.12%)	(1.23%)	6.98%	

*Inception – 30th October 2017