WATERSHED

FUNDS MANAGEMENT

International Equities Winner

2019 IMAP MANAGED ACCOUNT AWARDS

Monthly Report
October 2019

Watershed International Share Portfolio

Investment Profile

A Professionally Managed Portfolio of International Shares

The Watershed International Share 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 International Share Portfolio is to provide attractive investment returns over the medium and long-term while reducing the risk of permanent capital loss. The Portfolio consists of investments in high-quality global businesses whose shares are listed on major global stock exchanges. The Portfolio aims to outperform the MSCI World Index (excluding Australia) over a rolling three-year period by 2 - 3% per annum.

Key Portfolio Features	
Inception	4 January 2010
Benchmark	World Index (ex Aus)
Authorised Investments	Medium to Large Cap Listed International Shares
Number of Stocks	15-25
Cash Allocation	0-20%
Tracking Error	5% to 11% per annum
Investment Horizon	At least 5 years

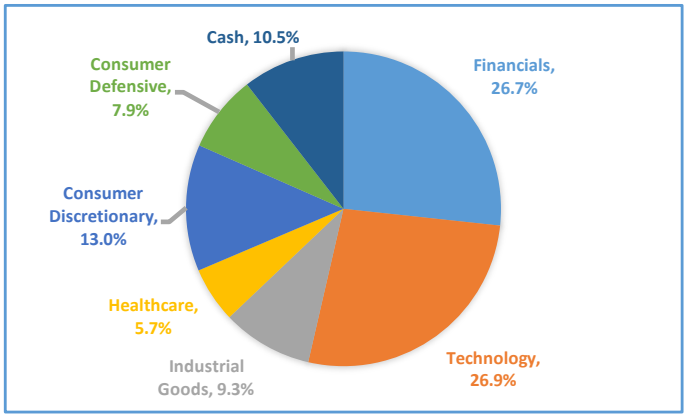
The Portfolio is designed for investors who…

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

Portfolio Structure

No.	Company Name	NYSE Code
1	Microsoft	MSFT
2	Amazon	AMZN
3	Berkshire Hathaway	BRK-B
4	JP Morgan Chase	JPN
5	Intel Corp	INTL
6	Johnson & Johnson	JNJ
7	Costco	COST

Sector Allocation	
Financial	26.7%
Technology	26.9%
Industrial Goods	9.3%
Healthcare	5.7%
Consumer Discretionary	13.0%
Consumer Defensive	7.9%
Cash	10.5%
TOTAL	100.0%



Performance

Performance after Fees (%)	1m	3m	6m	1yr p.a.	3yr p.a.	5yr p.a.	7yr p.a.	Inception* p.a.
WFM International Share Portfolio in US$	**3.2%**	**3.0%**	**3.3%**	**11.8%**	**15.2%**	**10.4%**	**14.5%**	**14.5%**
MSCI World Index (ex Aus) in US$	3.0%	3.2%	3.9%	13.0%	12.3%	7.9%	10.5%	9.3%
Relative Performance in US$	0.2%	(0.2%)	(0.6%)	(1.2%)	2.9%	2.5%	4.0%	5.2%
WFM International Share Portfolio in A$	**0.6%**	**2.5%**	**5.1%**	**14.6%**	**18.6%**	**15.6%**	**21.0%**	**17.2%**
MSCI World Index (ex Aus) in A$	0.4%	2.7%	5.7%	15.8%	15.7%	13.1%	17.0%	11.9%
Relative Performance in A$	0.2%	(0.2%)	(0.6%)	(1.2%)	2.9%	2.5%	4.0%	5.2%

*Inception since January 2010