



# WATERSHED

FUNDS MANAGEMENT



## Watershed Australian Share SMA:

### Delivering outperformance in challenging markets

The March quarter saw significantly higher activity within the Australian Share Portfolio than would ordinarily be expected, but this has not been an ordinary market.

Over the quarter we unwound the portfolio's conservative market positioning and added a number of oversold, quality names to the portfolio, exiting the month fully invested.

Link below for our detailed March Quarter Update.

Highlights:

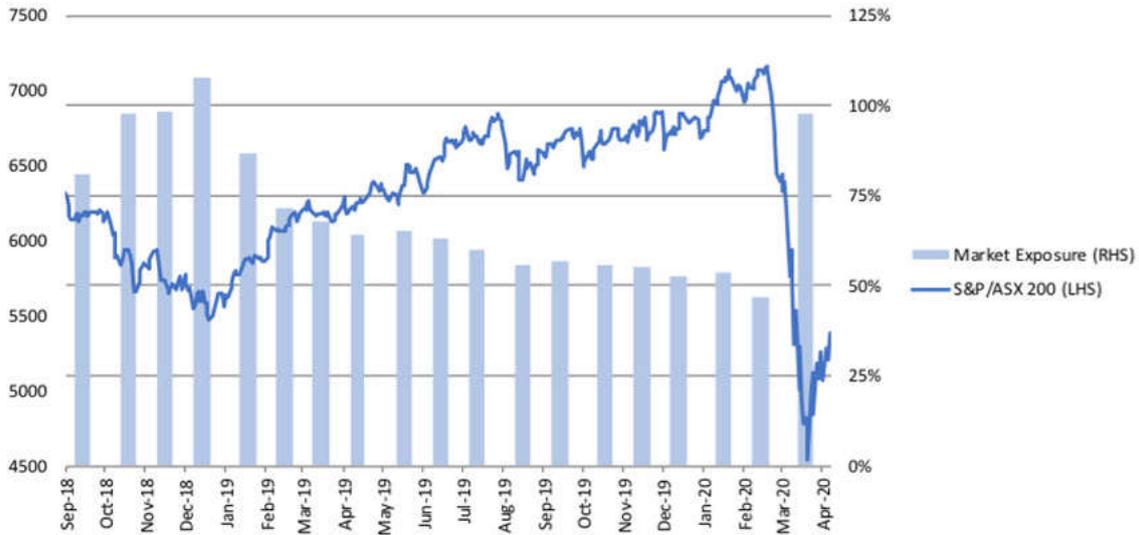
- **Fell 9% less than benchmark (ASX 200 Accumulation index) in February and March**
- **Portfolio fully invested over the month of March (cautious positioning unwound)**
- **Portfolio up 8.16% so far in April (in absolute terms)**

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## Watershed Australian Share Market Exposure



Peer Comparison as of March 2020 \*Performance numbers sourced from FEAnalytics

Mandate	1mnth	3mnth	6mnth	1yr	3yr	5yr
<b>Watershed Australia Share SMA</b>	-16.03%	-17.62%	-17.07%	<b>-11.37%</b>	0.47%	1.26%
Fidelity Australia Share	-18.63%	-22.13%	-21.70%	<b>-13.83%</b>	-0.26%	1.59%
Pendal Australia Share Fund	-19.80%	-22.81%	-20.90%	<b>-13.92%</b>	0.01%	1.37%
Clime Australia Equities	-20.02%	-24.50%	-23.55%	<b>-13.97%</b>	1.28%	0.38%
<b>S&amp;P/ASX 200 Accumulation Index</b>	<b>-20.65%</b>	<b>-23.10%</b>	<b>-22.57%</b>	<b>-14.42%</b>	<b>-0.56%</b>	<b>1.39%</b>
IML Australian Share	-17.90%	-21.16%	-19.94%	<b>-14.95%</b>	-2.57%	0.63%
Ellerston Australian Share	-21.22%	-27%	-23.55%	<b>-18.53%</b>	-5.24%	-0.53%
BlackRock Australian Share	-21.39%	-28.20%	-26.28%	<b>-18.55%</b>	-2.77%	-0.69%
DNR Australian Equities High Conviction	-24.65%	-29.86%	-27.87%	<b>-19.44%</b>	-3.58%	N/A
UBS Australian Share Fund	-26.91%	-30.30%	-29.67%	<b>-21.13%</b>	-6.51%	-3.59%
Allan Gray Australia Share	-26.95%	-33.50%	-33.86%	<b>-26.94%</b>	-5.01%	2.29%

If you would like to discuss how this investment can add value to your client portfolios please contact our Business Development Manager, Shantelle Lay on (03) 9614-8899.



### Australian Share

The Watershed Australian Share portfolio returned - **17.62%** for the March quarter up substantially on the index as a result of the very conservative positioning of the portfolio coming into the quarter.



### Australian Equities Finalist

2019 IMAP MANAGED ACCOUNT AWARDS

The portfolio enters April fully invested with a view that in 12-18 months much of this crisis will be behind us and economic activity will have stabilised.

## Performance Fee Disclosure

The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the period shown. Returns are shown as annualised if the period is over 1 year, or as total returns otherwise.

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## Watershed Funds Management

Watershed Funds Management is a specialist Managed Account (MDA & SMA) Provider and has been a pioneer in the delivery of these portfolio solutions to financial advisers. Watershed leverages the expertise of a highly credentialed investment team to form a global thematic view that determines asset class and sector allocations. Our investment committee structure differs for each SMA and is chaired by an individual with niche expertise and a proven track record for managing portfolios within that asset class. With a research process that is both rigorous and thorough we have been able to deliver strong historical returns across our full suite of Managed Accounts.

An investment in a Watershed Managed Account provides professional and active investment management with full transparency of holdings, transactions and structure. Watershed seeks to form a collaborative relationship with advisers, actively communicating portfolio strategy in the current market environment so that advisers are better equipped to communicate with their clients..

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