



# WATERSHED

FUNDS MANAGEMENT



## TOP OF THE POPS

### WATERSHED MULTI-ASSET PORTFOLIOS COMFORTABLY TOP THE CHARTS IN 2020

The Watershed Multi-Asset models rounded out the 2020 Calendar year with another quarter of exceptional performance. Each of our Conservative, Balanced and Growth Portfolios remain well ahead of both their respective benchmarks and industry peers. In fact such has been the strength of our recent performance that our Conservative Portfolio has successfully outpaced every other active managers Balanced and Growth mandates. This outperformance has been driven by a combination of timely Asset Allocation and stock selection decisions throughout the year, and we have spoken numerous times in past updates about how pivotal it is that these two functions work in concert with each other if you are to achieve optimal portfolio returns.

As we head into the New Year we believe generating outperformance will again demand contrarian and nimble portfolio repositioning and have begun harvesting small cash reserves into recent market strength.

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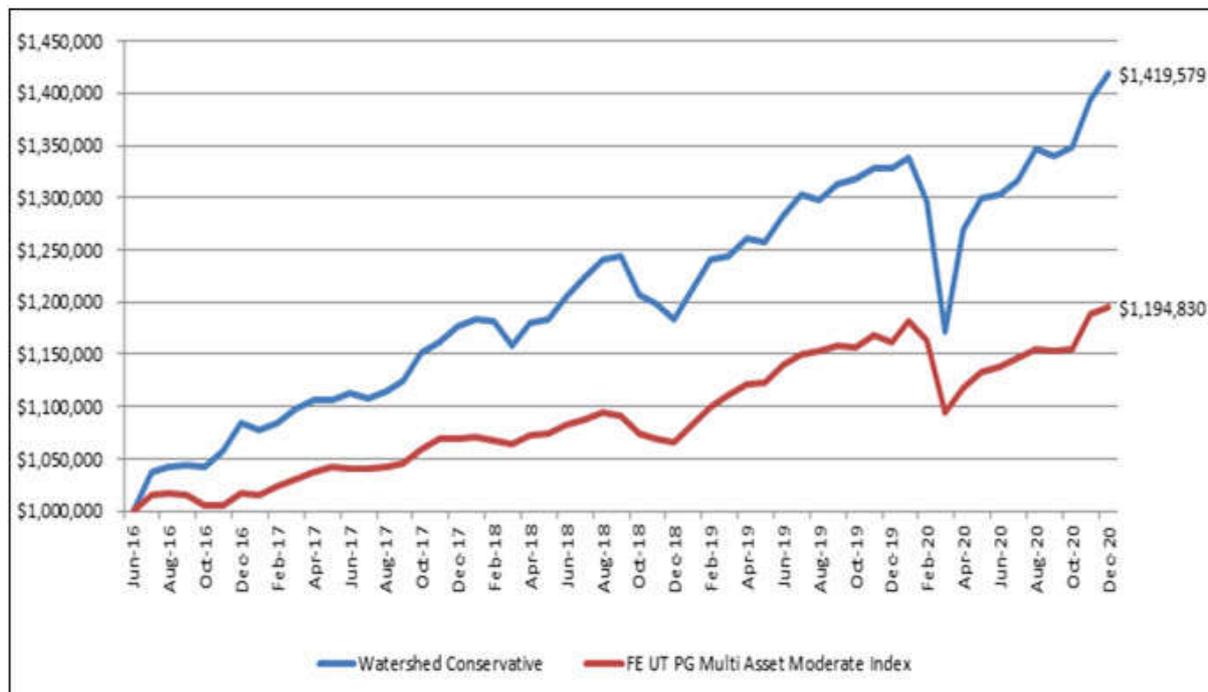
[www.watershedgroup.com.au](http://www.watershedgroup.com.au)

A CORPORATE AUTHORISED REPRESENTATIVE OF WATERSHED DEALER SERVICES PTY LTD ABN 29 162 693 272 AFSL No. 436357

Performance returns for 2020 are found below as well as a corresponding chart showing the significant dollar difference generated on a \$1M portfolio since inception (2016) ran by Watershed in comparison to the average return of its peer group:

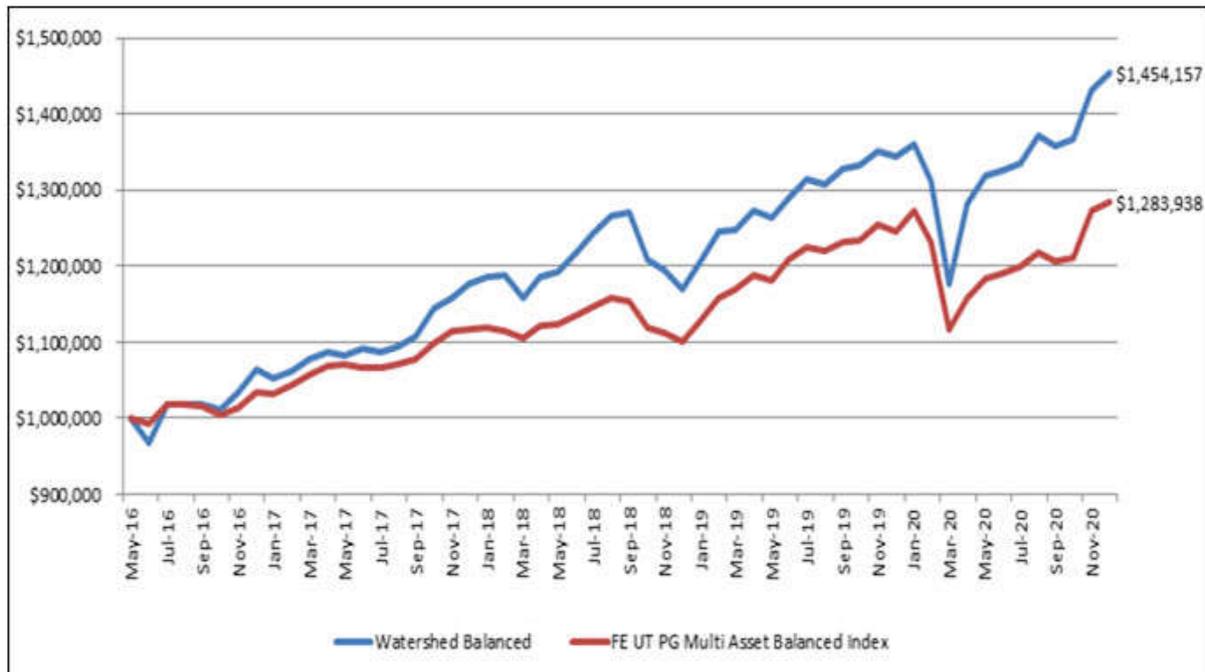
### CONSERVATIVE MULTI-ASSET PORTFOLIOS

	1M	3M	6M	1YR	3YR
Watershed Conservative Portfolio	1.79%	5.88%	9.01%	6.82%	6.47%
Vanguard Diversified Conservative Index ETF	0.19%	1.76%	4.33%	3.89%	5.70%
<b>FE UT Peer Group Multi Asset Moderate Index</b>	<b>0.47%</b>	<b>3.67%</b>	<b>4.96%</b>	<b>2.84%</b>	<b>3.75%</b>
Elston Conservative Portfolio	0.12%	5.51%	5.09%	1.75%	3.67%
Evergreen Premier Conservative Portfolio	1.00%	4.05%	6.94%	2.36%	3.44%
Quilla Conservative Income Portfolio	0.68%	3.80%	4.59%	-1.29%	3.37%
Colonial First State First Choice Conservative	6.00%	3.18%	4.89%	2.88%	3.34%
Morningstar Conservative Portfolio	0.19%	2.70%	2.35%	1.54%	2.72%
Quilla Income Generator Portfolio	0.34%	3.95%	5.57%	-1.39%	2.19%
Zenith Elite Blends - Moderate Portfolio	0.75%	4.08%	6.41%	4.02%	N/A



## BALANCED MULTI-ASSET PORTFOLIOS

PERFORMANCE	1M	3M	6M	1YR	3YR
Watershed Balanced Portfolio	1.55%	7.00%	9.60%	8.12%	7.33%
Vanguard Diversified Balanced Index Fund	0.67%	3.48%	6.90%	4.49%	6.88%
Colonial First State First Choice Balanced	1.49%	7.25%	10.98%	4.29%	5.22%
Quilla Moderate Portfolio	1.00%	5.66%	6.83%	0.69%	4.96%
<b>FE UT Peer Group Multi Asset Balanced Index</b>	<b>0.78%</b>	<b>6.33%</b>	<b>7.82%</b>	<b>2.99%</b>	<b>4.75%</b>
Elston Balanced Portfolio	0.06%	11.53%	9.40%	-0.54%	4.70%
Evergreen Premier Balanced Portfolio	1.42%	6.89%	10.90%	5.03%	4.70%
Lonsec Managed Portfolio – Multi-Asset Balanced	0.34%	4.85%	6.31%	1.82%	4.29%
Morningstar Balanced Portfolio	0.39%	6.16%	5.34%	1.32%	3.67%
Zenith Elite Blends - Balanced Portfolio	1.09%	5.79%	8.86%	4.05%	N/A



## GROWTH MULTI-ASSET PORTFOLIOS

PERFORMANCE	1M	3M	6M	1YR	3YR
Watershed Growth Portfolio	1.37%	7.92%	9.88%	9.35%	8.34%
Vanguard Diversified Growth Index ETF	1.34%	5.07%	9.76%	4.84%	7.77%
Quilla Assertive Portfolio	1.34%	7.91%	9.67%	2.68%	6.39%
Colonial First State First Choice Growth Plus	1.66%	8.17%	12.45%	4.31%	5.42%
<b>FE UT Peer Group Multi Asset Growth Index</b>	<b>1.05%</b>	<b>8.04%</b>	<b>10.04%</b>	<b>2.86%</b>	<b>5.37%</b>
Elston Growth Portfolio	0.09%	13.65%	11.07%	-1.14%	4.94%
Evergreen Premier Growth Portfolio	1.33%	7.39%	11.29%	5.11%	4.83%
Morningstar Growth Portfolio	0.70%	8.65%	7.28%	2.52%	4.76%
Lonsec Managed Portfolio – Multi-Asset Growth	0.70%	5.90%	7.21%	0.11%	4.03%
Zenith Elite Blends - Growth Portfolio	1.49%	7.46%	11.13%	3.94%	N/A



\*Performance returns sourced from HUB24  
 \*\* Charts sourced from FE Analytics.

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## Performance Fee Disclosure

All figures & tables stating investment performance returns (AFTER investment management fees, but BEFORE administration fees and taxes) for the Portfolio. 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.

### FE Analytics Index

The FE Peer Group Multi-Index Indices offer the average return across circa 150 funds investing with a similar risk mandate, i.e. Balanced.

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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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