Monthly Update December 2023

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 $500M. The Portfolio aims to outperform the S&P/ASX Small Ordinaries 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 Small Ordinaries Accumulation Index
Authorised Investments	ASX listed companies with a Market Capitalisation less than $500M upon acquisition
Number of Stocks	15-30
Cash Allocation	2-40%
Investment Horizon	At least 5 years

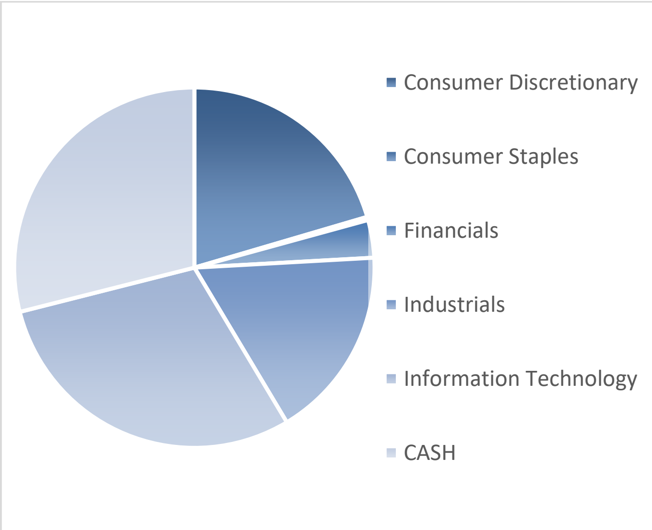
The Portfolio is designed for investors who…

- 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	Lovisa Holdings	LOV
2	Gentrack Group	GTK
3	Data#3 Limited	DTL
4	Objective Corporation	OCL
5	GenusPlus Group	GNP

GICS Sector	
Consumer Discretionary	20.45%
Consumer Staples	0.29%
Financials	3.38%
Industrials	17.30%
Information Technology	29.63%
CASH	28.95%
TOTAL	**100%**



Performance

Gross Performance (%)	1m	3m	6m	1yr	2yr	3yr	4yr	5yr	Inception*
WFM Microcap SMA	8.27%	8.11%	8.02%	15.20%	-0.11%	11.46%	17.44%	20.79%	15.76%
S&P Small Ords Accum	7.23%	8.52%	6.41%	7.83%	-6.20%	0.94%	2.95%	6.39%	
Relative Performance	1.04%	-0.42%	1.60%	7.37%	6.09%	10.52%	14.49%	14.40%	

*Inception – 30th October 2017

Performance Fee Disclosure All figures & tables stating investment performance returns 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.