

## Watershed Australian Share Portfolio

### Investment Profile

A Professionally Managed Portfolio of Australian Shares

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

#### Investment Objective

The objective of the Watershed Australian Share Portfolio is to provide market-leading, tax effective returns over the medium to long term from a concentrated portfolio of large capitalisation, high quality Australian shares and listed Exchange Traded Funds.

Key Portfolio Features	
<b>Inception</b>	5 Aug 2010
<b>Benchmark</b>	S&P/ASX200 Accumulation Index
<b>Authorised Investments</b>	ASX200 shares Listed ETF's
<b>Number of Stocks</b>	15-30
<b>Cash Allocation</b>	2-20%
<b>Management Fee</b>	0.66% (inc GST)
<b>Tracking Error</b>	2% to 5% per annum
<b>Investment Horizon</b>	At least 5 years

#### The Portfolio is designed for investors who...

- Seek long term capital growth & tax-effective income
- Have a long-term investment horizon of at least five years and accept the risk of price fluctuations.

### Performance

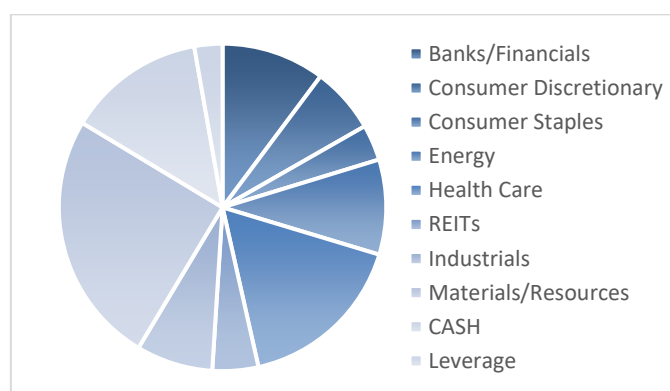
Net Performance (%)	1m	3m	6m	1yr	3yr	5yr	7yr	10yr	Inception*
<b>WFM Aus Share Portfolio</b>	-0.83%	5.49%	3.81%	8.02%	10.51%	8.40%	8.29%	7.66%	7.50%
<b>S&amp;P/ASX 200 Accum Index</b>	0.79%	9.39%	7.41%	10.64%	9.32%	8.61%	8.60%	7.95%	8.57%
<b>Relative Performance</b>	<b>-1.62%</b>	<b>-3.90%</b>	<b>-3.61%</b>	<b>-2.62%</b>	<b>1.18%</b>	<b>-0.21%</b>	<b>-0.31%</b>	<b>-0.29%</b>	<b>-1.07%</b>

\*Inception - August 2010

### Portfolio Structure

No.	Company Name	ASX Code
1	BHP Group	BHP
2	CSL Limited	CSL
3	Commonwealth Bank	CBA
4	Aristocrat Leisure	ALL
5	James Hardie	GMG

GICS Sector	
<b>Banks/Financials</b>	10.22%
<b>Consumer Discretionary</b>	6.52%
<b>Consumer Staples</b>	3.53%
<b>Energy</b>	9.38%
<b>Health Care</b>	16.81%
<b>REITs</b>	4.54%
<b>Industrials</b>	7.58%
<b>Materials/Resources</b>	25.04%
<b>Leverage Short</b>	2.78%
<b>CASH</b>	13.60%
<b>TOTAL</b>	100.00%



**Performance Fee Disclosure** The table above sets out the 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.