

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

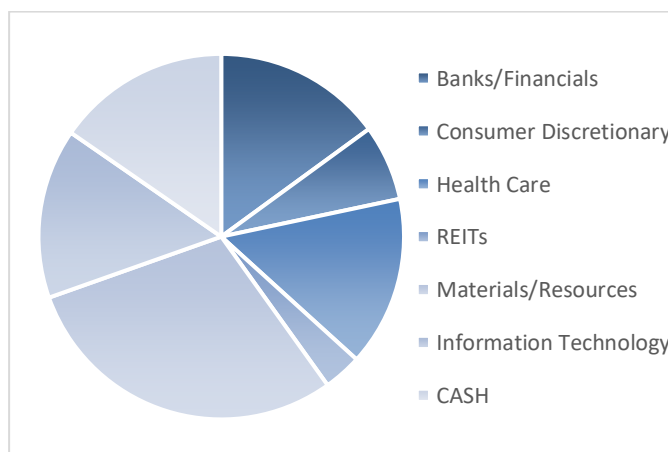
The Portfolio is designed for investors who...

- 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.

Portfolio Structure

No.	Company Name	ASX Code
1	BHP Goup	BHP
2	Rio Tinto	RIO
3	Commonwealth Bank	CBA
4	Macquarie Group	MQG
5	Mineral Resources	MIN

GICS Sector	
Banks/Financials	14.97%
Consumer Discretionary	6.71%
Health Care	15.05%
REITs	3.38%
Information Technology	15.05%
Materials/Resources	29.48%
CASH	15.37%
TOTAL	100.00%



Performance

Net Performance (%)	1m	3m	6m	1yr	3yr	5yr	7yr	10yr	Inception*
WFM Aus Share Portfolio	0.63%	2.57%	-1.20%	4.90%	5.18%	7.77%	7.06%	8.84%	7.01%
S&P/ASX 200 Accum Index	4.11%	7.34%	4.07%	16.18%	12.22%	10.78%	9.85%	10.76%	9.13%
Relative Performance	-3.48%	-4.77%	-5.27%	-11.29%	-7.04%	-3.02%	-2.79%	-1.92%	-2.12%

*Inception - August 2010

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.