



Watershed Conservative Model

Investment Objective

The Watershed Conservative Model seeks to provide investors with a regular defensive income stream and some capital growth over the medium to longer term (at least 5 years) through exposure to a diversified portfolio of assets.

The objective of the Watershed Conservative Model is to outperform the Morningstar Australia Multi Sector Conservative NR AUD Benchmark after costs.

Investment Strategy

The Portfolio is an actively managed, diversified portfolio of securities across both growth assets such as Domestic and Global Shares, Property Trusts, Exchange Traded Funds and defensive assets such as cash and fixed interest securities. The portfolio will generally hold approximately 40% in growth assets and 60% in more defensive assets over time, but the mandate has deliberately broad target ranges allowing implementation of tactical asset allocation given our macro-economic views and expected asset class and sector returns.

Key Portfolio Features	
Inception	June 2016
Benchmark	Morningstar Aus MSEC Conservative NR AUD Index
Management Fee	0.55% p.a (inc GST)
Investment Horizon	5 years +
Number of Holdings	Typically 80 – 110

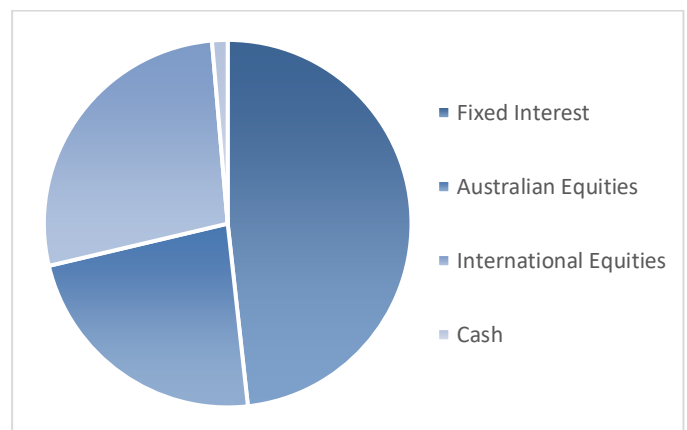
The Portfolio is designed for investors who...

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

Portfolio Structure

Sector Allocations	Range	Strategic
Cash	0-40%	10%
Fixed Interest	40-80%	45%
Listed Property	0-10%	5%
Australian Equities	10-50%	20%
International Equities	10-40%	15%
Alternative Assets	0-15%	5%
TOTAL		100%

Underlying Assets	Tactical
Cash	1.4%
Watershed Income	48.2%
Watershed Australian Share	15.2%
Watershed Emerging Leaders	7.8%
Watershed International	20.3%
Watershed International ETF	6.0%
Munro Global Mid & Small Fund	1.1%



Performance

Net Performance (%)	1m	3m	6m	1yr	3yr	5yr	7yr	9yr	Inception*
Watershed Conservative Portfolio	-0.81%	-2.11%	-1.72%	2.60%	6.67%	5.74%	5.98%	6.06%	6.48%
Morningstar Aus MSEC Conservative	1.05%	1.21%	1.19%	4.51%	4.70%	2.16%	2.37%	2.72%	2.59%
Relative Performance	-1.86%	-3.32%	-2.91%	-1.91%	1.96%	3.58%	3.60%	3.34%	3.89%

*Inception – June 2016

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.