

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2017 Annual General Meeting (**AGM**) of Watermark Market Neutral Fund Limited (ABN 45 163 980 498) (**Company**) will be held at the **Wesley Conference Centre, The Lyceum Room, 220 Pitt Street, Sydney, NSW on Tuesday, 14 November 2017 at 2pm (Sydney Time)**.

ORDINARY BUSINESS

1. To receive and consider the Financial Report, the Directors' report and Auditor's Report for the year ended 30 June 2017.

2. **Resolution 1 – Re-election of Mr Justin Braitling as a Director**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Justin Braitling, retired by rotation and having offered himself for re-election in accordance with Rule 6.7 of the Constitution of the Company and the Listing Rules, be re-elected as a Director of the Company."

NOTE: The non-candidate Directors unanimously support the re-election of Mr Justin Braitling.

The Chairman of the meeting intends to vote available proxies in favour of Mr Justin Braitling's re-election.

3. **Resolution 2 – Re-election of Mr Stephen Van Eyk as a Director**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

"That Mr Stephen Van Eyk, retired by rotation and having offered himself for re-election in accordance with Rule 6.7 of the Constitution of the Company and the Listing Rules, be re-elected as a Director of the Company."

NOTE: The non-candidate Directors unanimously support the re-election of Mr Stephen Van Eyk.

The Chairman of the meeting intends to vote available proxies in favour of Mr Stephen Van Eyk's re-election.

4. **Resolution 3 - Adoption of Remuneration Report**

To consider and, if thought fit, pass the following resolution as an **ordinary non-binding resolution**:

"That the Remuneration Report, forming part of the Directors' Report laid before the meeting, be adopted."

NOTE: The vote on this resolution is advisory only and does not bind the Directors or the Company. In accordance with Section 250R(4) of the Corporations Act, the Company will disregard any votes cast on this resolution:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report and each closely related party of such members (each an **Excluded Key Manager**); or
- (b) as proxy by a person or entity that is an Excluded Key Manager except if an Excluded Key Manager is appointed as proxy in writing and:
 - (i) is directed in writing on how to vote on the resolution; or
 - (ii) in the case of the Chairman of the Meeting, is authorised to vote on the resolution.

ENTITLEMENT TO VOTE

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the AGM all shares will be taken to be held by the persons who held them as registered Shareholders at 7pm (Sydney Time) on **Sunday 12 November 2017**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

PROXIES

A member entitled to attend and vote at this meeting is entitled to appoint no more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

If the member appoints two proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded. If the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands.

Proxies must be:

(a) Lodged at the Company's share registrar:

Hand Deliveries Boardroom Pty Limited
Grosvenor Place
Level 12
225 George Street
Sydney NSW 2000

Postal address: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

(b) Received at the fax number specified below:

Fax number: +612 9290 9655

(c) **Lodged online at** www.votingonline.com.au/wmkagm2017

Not later than 48 hours before the meeting i.e. 2.00pm (Sydney Time) Sunday, 12 November 2017.

By order of the Board



Mark Licciardo
Company Secretary
6 October 2017

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Watermark Market Neutral Fund Limited to provide information about the items of business to be considered at the Annual General Meeting of Shareholders to be held on Tuesday 14 November 2017.

With the exception of Resolution 3, all other resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate, and if time permits, the Chairman will discuss significant issues raised by Shareholders prior to the meeting and will invite questions and comments from Shareholders on these key issues and any other matters that Shareholders would like to raise at the meeting.

In addition, a reasonable opportunity will be given to members present at the meeting to ask the Company's Auditor, Pitcher Partners, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor. If you would like to submit a written question to Pitcher Partners before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Mark Licciardo, at markl@mertons.com.au before 7 November 2017.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary, Mark Licciardo, at the above address.

How will the Chairman vote as proxy if the Shareholder has not directed the Chairman to vote?

The Chairman intends to vote in favour of all resolutions. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a resolution then, if that Shareholder is entitled to vote on that resolution, the Chairman will vote in favour of all resolutions.

Resolution 1 – Re-election of Mr Justin Braitling as a Director

Pursuant to the Clause 6.7 of the Constitution and the ASX Listing Rules, Mr Braitling will retire by rotation and seeks re-election.

Mr Braitling has over 25 years' experience in investing in Australian and international companies. He was an Investment Analyst and Portfolio Manager at Bankers Trust for 12 years from January 1991 to June 2002. He was a key member of the investment team at Bankers Trust that was consistently ranked in the top quartile of managers by InTech.

Mr Braitling has been a Director of the Company since May 2013.

The non-candidate Directors recommend that Shareholders vote in **FAVOUR** of Resolution 1. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 1.

Resolution 2 – Re-election of Mr Stephen Van Eyk as a Director

Pursuant to the Clause 6.7 of the Constitution and the ASX Listing Rules, Mr Van Eyk will retire by rotation and seeks re-election.

Mr Van Eyk has over 25 years' experience in the financial services industry, with over 15 years as Managing Director of research house van Eyk Research. Stephen was presented with the Lifetime Achievement Award at the 2013 Fund Manager awards.

Mr Van Eyk holds a Commerce Degree from the UNSW and is a fellow of the Financial Services Institute.

Mr Van Eyk has been a Director of the Company since June 2013.

The non-candidate Directors recommend that Shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of Resolution 2.

Resolution 3 - Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to Shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2017.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and Executives (which includes Senior Management) of the Company. The Remuneration Report can be located in the Company's Annual Report.

The Resolution is advisory only and does not bind the Company or its Directors. However the Board will consider the outcome of the vote and comments made by Shareholders at the meeting on the Remuneration Report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director / CEO) must stand for re-election. The Company encourages all Shareholders to cast their votes on Resolution 3 (Adoption of the Remuneration Report).

The Chairman intends to exercise all undirected proxies in **FAVOUR** of Resolution 3. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 3 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Definitions

In this Notice of Meeting and Explanatory Memorandum:

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691).

Board means the Board of Directors.

Constitution means the Constitution of the Company as at the commencement of the Annual General Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a Director of the Company.

Listing Rules means the listing rules of ASX.

Manager means Watermark Funds Management Pty Limited (ACN 106 302 505).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of Shares.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2.00pm (Sydney time) on Sunday 12 November 2017**

🖥 TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/wmkagm2017

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

(a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2.00pm (Sydney time) on Sunday 12 November 2017**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** www.votingonline.com.au/wmkagm2017

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Watermark Market Neutral Fund Limited

ABN 45 163 980 498

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Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Watermark Market Neutral Fund Limited** (Company) and entitled to attend and vote hereby appoint:

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the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Wesley Conference Centre, The Lyceum Room, 220 Pitt Street, Sydney, NSW, 2000 on Tuesday, 14 November 2017 at 2.00pm (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this resolution even though Resolution 3 is connected with the remuneration of a member of key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 3). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To re-elect Mr Justin Braitling as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Mr Stephen Van Eyk as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017