

TO: Company Announcements Office
Australian Securities Exchange

DATE: 15 February 2018

On-Market Share Buy-Back

The Board of Watermark Market Neutral Fund (ASX Code: WMK) proposes to conduct a further on-market share buy-back of up to 10% of WMK's fully paid ordinary shares for a period of 12 months commencing on 15 February 2018 (New Buy Back).

WMK's current on-market share buy-back (announced on 31 January 2017) has now expired.

The New Buy Back will be within the '10/12 limit' permitted by the Corporations Act 2001 (Cth) and therefore does not require shareholder approval. The timing and number of shares purchased will depend on the WMK share price and market conditions.

An Appendix 3C in respect of the New Buy Back is enclosed.



Mark Licciardo
Company Secretary

Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity

Watermark Market Neutral Fund Ltd

ABN/ARSN

45 163 980 498

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market buy back
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary securities
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	87,081,714
6	Whether shareholder/unitholder approval is required for buy-back	Not required
7	Reason for buy-back	Effective capital management for the benefit of security holders

⁺ See chapter 19 for defined terms.

Appendix 3C

Announcement of buy-back

- | | | |
|---|---|----------------------|
| 8 | Any other information material to a shareholder's/unitholder's decision whether to accept the offer (<i>eg, details of any proposed takeover bid</i>) | No other information |
|---|---|----------------------|

On-market buy-back

- | | | |
|----|---|---|
| 9 | Name of broker who will act on the company's behalf | Taylor Collison Limited |
| 10 | Deleted 30/9/2001. | |
| 11 | If the company/trust intends to buy back a maximum number of shares - that number

<small>Note: This requires a figure to be included, not a percentage.</small> | The buy-back will be conducted within the 10/12 limit therefore up to 8,708,171 ordinary securities. |
| 12 | If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention | The buy-back will commence on 15 February 2018, after commencement, the buy-back will continue for one year.

<small>Note: The buy-back may be concluded earlier if the maximum number of shares are acquired or if the Company determines that it is no longer in the best interest of shareholders to proceed with the buy-back,.</small> |
| 13 | If the company/trust intends to buy back shares/units if conditions are met - those conditions | Not applicable |

Employee share scheme buy-back

- | | | |
|----|---|----------------|
| 14 | Number of shares proposed to be bought back | Not applicable |
|----|---|----------------|

⁺ See chapter 19 for defined terms.

15 Price to be offered for shares

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Appendix 3C

Announcement of buy-back

Selective buy-back

- | | | |
|----|--|----------------|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | Not applicable |
| 17 | Number of shares proposed to be bought back | |
| 18 | Price to be offered for shares | |

Equal access scheme

- | | | |
|----|---|----------------|
| 19 | Percentage of shares proposed to be bought back | Not applicable |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | |
| 21 | Price to be offered for shares | |
| 22 | +Record date for participation in offer

<small>Cross reference: Appendix 7A, clause 9.</small> | |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:



(Company secretary)

Print name:

Mark Licciardo

Date: 15 February 2018

⁺ See chapter 19 for defined terms.