

BOARD OF WATERMARK MARKET NEUTRAL FUND LTD EXECUTES SCHEME IMPLEMENTATION DEED

February 5, 2019: Further to its announcement on December 20, 2018, the Board of Watermark Market Neutral Fund Limited (WMK, the Company) is pleased to announce that it has executed a Scheme Implementation Deed (the Deed) with Equity Trustees Limited and Watermark Funds Management Pty Ltd.

Execution of the Deed is the first formal step in the proposed restructure of the Company, by way of a scheme of arrangement, to convert WMK from a listed investment company to an unlisted unit trust (New Trust). Equity Trustees Limited has been appointed as Responsible Entity (RE) of the New Trust, which will be a registered managed investment scheme under the *Corporations Act 2001* (Cth) and will appoint Watermark Funds Management as Investment Manager of the New Trust (Investment Manager).

In executing the Deed, the Board, along with the RE and Investment Manager, have agreed to implement the Scheme subject to various conditions precedent, including an opinion from an Independent Expert that the transaction is in the best interests of WMK shareholders, and approval from Shareholders at a scheme meeting.

The Board has been working with the Company's advisers in recent weeks, finalising the structure of the Scheme. This work was essential to ensure that the Scheme is implemented in a way that maximises the value to Shareholders, in terms of the efficient transfer of the Company's assets into the New Trust.

The Board also wishes to provide the following updated indicative timetable for the Scheme:

Event	Date
Announcement	5 February 2019
WMK provides Regulator's Draft to ASIC	8 February 2019
First Court Date	25 February 2019
Printing and despatch of Scheme Booklet 1	1 March 2019
Scheme Meeting	1 April 2019
Second Court Date	3 April 2019
Effective Date – Lodge Court orders approving Scheme and s. 413 transfer of WMK Assets and liabilities with ASIC	4 April 2019
Record Date	9 April 2019
Implementation Date	15 April 2019

Shareholders should expect to receive more details once the Scheme Booklet has been dispatched. For any queries regarding this announcement or WMK in general, please contact the Investment Manager on 02 9252 0225 or info@wffunds.com.au.

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