



WATERMARK

MARKET NEUTRAL FUND

TO: Company Announcements Office
Australian Securities Exchange

DATE: 11 April 2019

Federal Court Approves Scheme of Arrangement

Watermark Market Neutral Fund Limited (WMK) is pleased to announce that the Federal Court of Australia (Court) has today made orders approving the Scheme of Arrangement (Scheme), the Scheme will involve:

- Equity Trustees Limited (EQT) as responsible entity of the Watermark Absolute Return Fund (Fund) issuing units in the Fund (Units);
- WMK reducing its share capital to zero and all WMK Shares being cancelled by way of a capital reduction;
- WMK distributing the Units to WMK shareholders by way of an *in-specie* distribution to WMK shareholders (by way of the capital reduction);
- WMK transferring all of the WMK Assets (as defined in the Scheme Booklet) to the Fund; and
- Watermark Funds Management Pty Limited (WFM) being issued a single fully paid ordinary share immediately following the Capital Reduction so that WMK becomes a wholly owned subsidiary of WFM).

WMK expects to lodge a copy of the Court orders with the Australian Securities and Investments Commission later today, at which time the Scheme will become effective. No further action is required by WMK Shareholders.

It is expected that trading in WMK shares on ASX will be suspended from close of trading today, 11 April 2019.

WMK shareholders on the share register as at 7.00pm (Sydney time) on the Scheme record date, currently expected to be Tuesday, 26 February 2019, will be entitled to be issued the Units equal to \$0.863 per WMK share, which will be issued on the implementation date which is currently expected to be 23 April 2019.

Mark Licciardo
Company Secretary