WATERMARK

FUNDS MANAGEMENT

Investment Outlook

- The investment climate has changed profoundly since the 2008 financial crisis with economic growth stagnating in many developed economies.
- The panacea of cheap money, and the abundance of excess liquidity that has resulted, has inflated asset markets with bonds, property and shares all looking expensive on historic measures.
- Risks that arise from high levels of indebtedness continue to intensify as the current expansion cycle matures.
- With this less than favourable balance of risk and return investors should consider hedging their exposure to these inflated asset markets.
- Watermark funds offer a high degree of protection from these market based risks. The manager would hope to deliver favourable returns irrespective of the underlying market conditions.

The Watermark Investment Team

Justin Braitling – CIO
Justin has over 25 years' experience investing in Australian and international securities. Prior to establishing Watermark in 2003, Justin spent 10 years as an investment analyst and portfolio manager with the successful equities team at Bankers Trust. Justin is the Chairman of Australian Leaders Fund Ltd and a director.

Tom Richardson – Portfolio Manager
Tom is responsible for coverage of Basic Industries. He joined Watermark in December 2009. Prior to this, Tom began his career as an Investment Analyst with Renaissance Asset Management in 2006. Tom holds a Bachelor of Aerospace Engineering from the University of Sydney and is a CFA charterholder.

Simon Felton – Portfolio Manager (new)
Simon is responsible for coverage of Industrials. He joined Watermark in September 2016. He was previously an investment analyst at Platinum Asset Management for 12 years. Prior to this he was a lawyer at Blake Dawson Waldron specialising in mergers and acquisitions. Simon holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and is a CFA charterholder.

Nick Cameron – Investment Analyst
Nick is responsible for coverage of the Healthcare sector. He joined Watermark in March 2015. He began his career in finance with KPMG in 2008, before moving into research roles with Credit Suisse and Deutsche Bank. Prior to joining the Watermark Nick was an investment analyst at GenesisCare. Nick has completed bachelor degrees in Science and Biotechnology and holds a PhD from Griffith University in the fields of Molecular Biology and Neuroscience.

Joshua Ross – Investment Analyst
Joshua is responsible for coverage of the Consumer sectors. He joined Watermark in April 2010. He holds a Bachelor of Applied Finance and a Bachelor of Commerce (Accounting) from Macquarie University. Joshua is a CFA charterholder.

Omkar Joshi – Investment Analyst
Omkar is responsible for coverage of Financials. He joined Watermark in October 2013 after completing an accounting cadetship with KPMG and having worked as an equity research analyst in Credit Suisse's banks team. Omkar holds a Bachelor of Commerce (High Distinction) from the University of New South Wales. Omkar is a CFA and CMT charterholder.

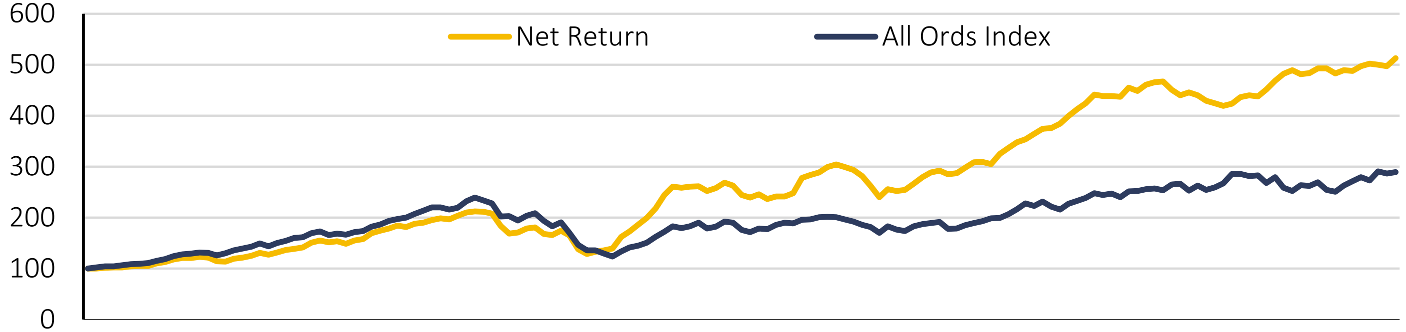
Delian Entchev – Investment Analyst
Delian is responsible for coverage of the Technology, Media and Telecommunications sectors. He joined Watermark in August 2014. Prior to this, he was undertaking a cadetship with UBS as an Equity Research Analyst. Delian holds a Bachelor of Commerce (High Distinction) from the University of New South Wales.

Tim Bolger– Chief Operating Officer
Tim is responsible for all non-investment functions at Watermark, including operations, distribution, marketing and compliance. Tim joined the Manager in 2014. He brings extensive experience in the development, marketing and distribution of investment and insurance products throughout Australia and internationally. Prior to joining the Manager, Tim was a Director of Distribution at Bennelong Funds Management. Tim holds a Bachelor of Arts and a Diploma in Law.

All funds have performed

AUSTRALIAN LEADERS FUND

2004



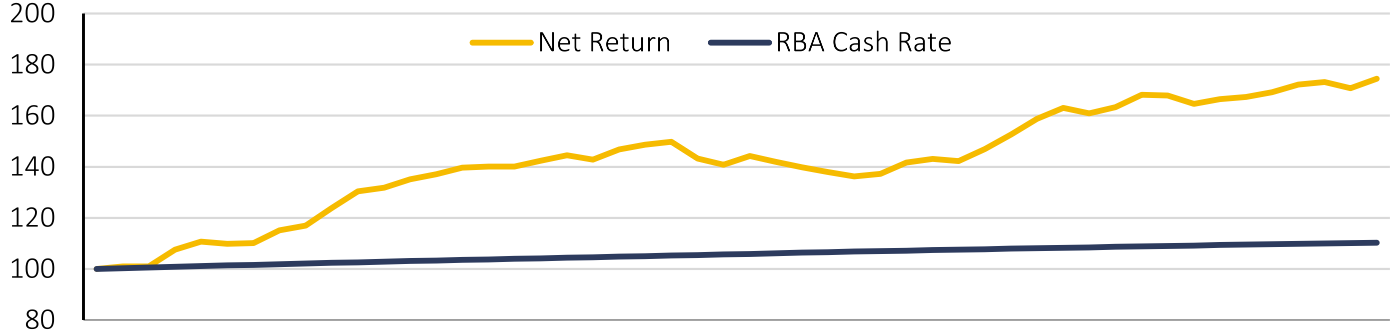
14%

annualised

WATERMARK

MARKET NEUTRAL TRUST

2012



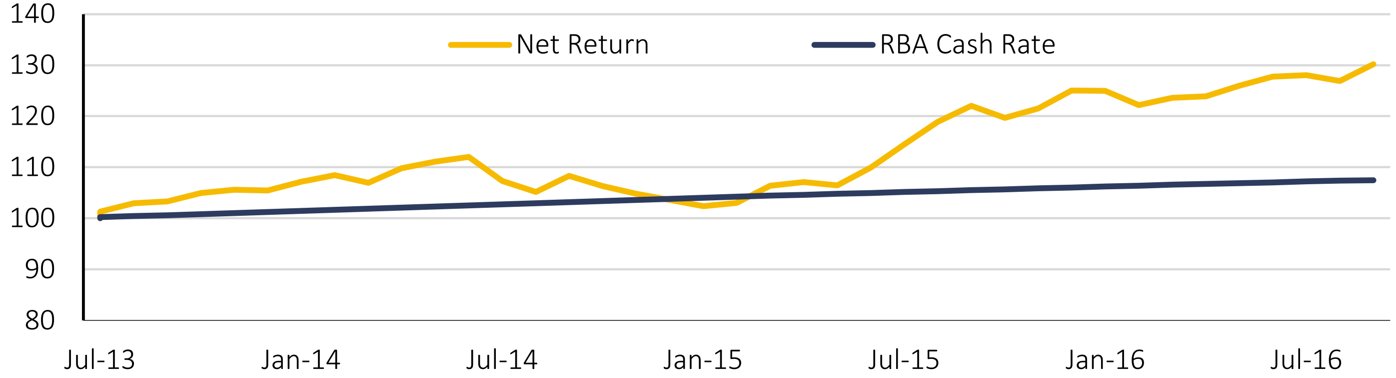
14%

annualised

WATERMARK

MARKET NEUTRAL FUND

2013



8.5%

annualised

Fund Performance - WMK

Performance to 31 October 2016

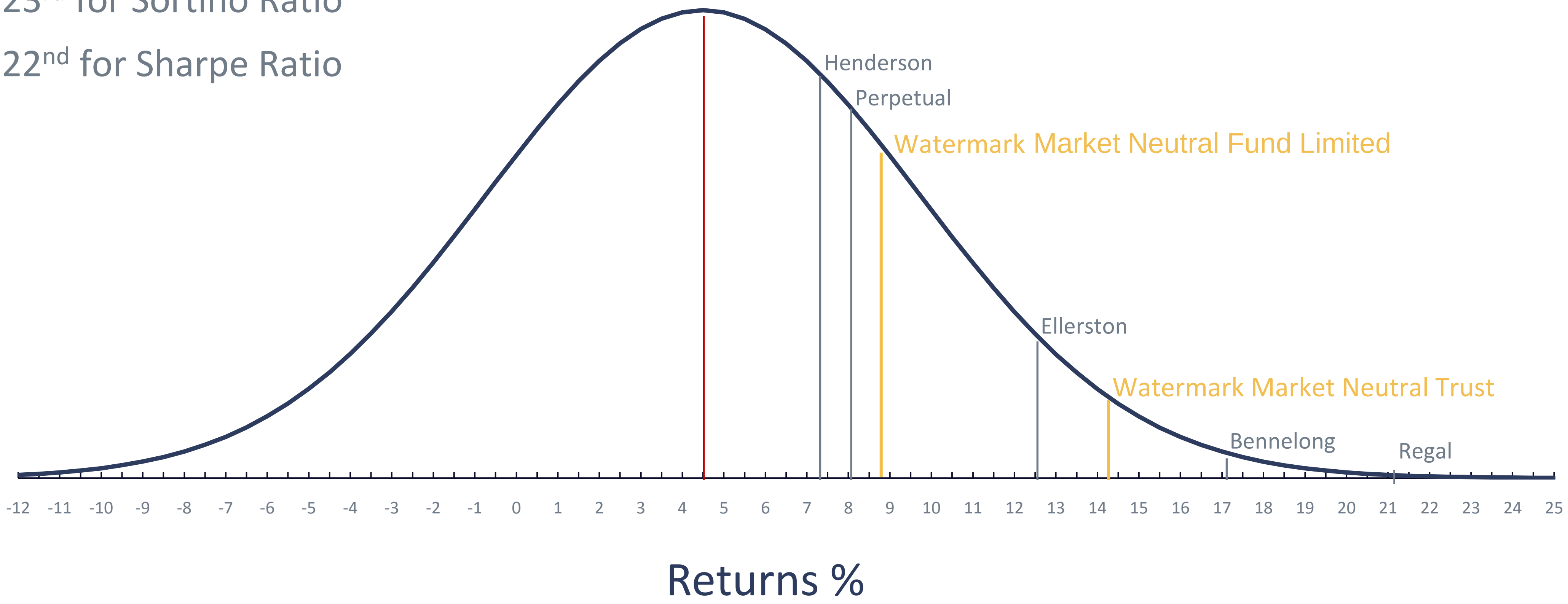
	1 Month	3 Month	6 Month	FYTD	1 YEAR	3 YEARS (P.A.)	SI (P.A.)
Net Return	-0.6%	1.8%	5.2%	2.0%	8.9%	7.5%	8.3%
RBA Cash Rate	0.1%	0.4%	0.8%	0.5%	1.8%	2.2%	2.2%
Outperformance	**-0.7%**	**1.4%**	**4.4%**	**1.5%**	**7.1%**	**5.3%**	**6.1%**

Fund inception date is July 2013

Australian Managers Amongst the Best Globally

Using the Preqin database of 453 global market neutral funds WMNT is ranked:

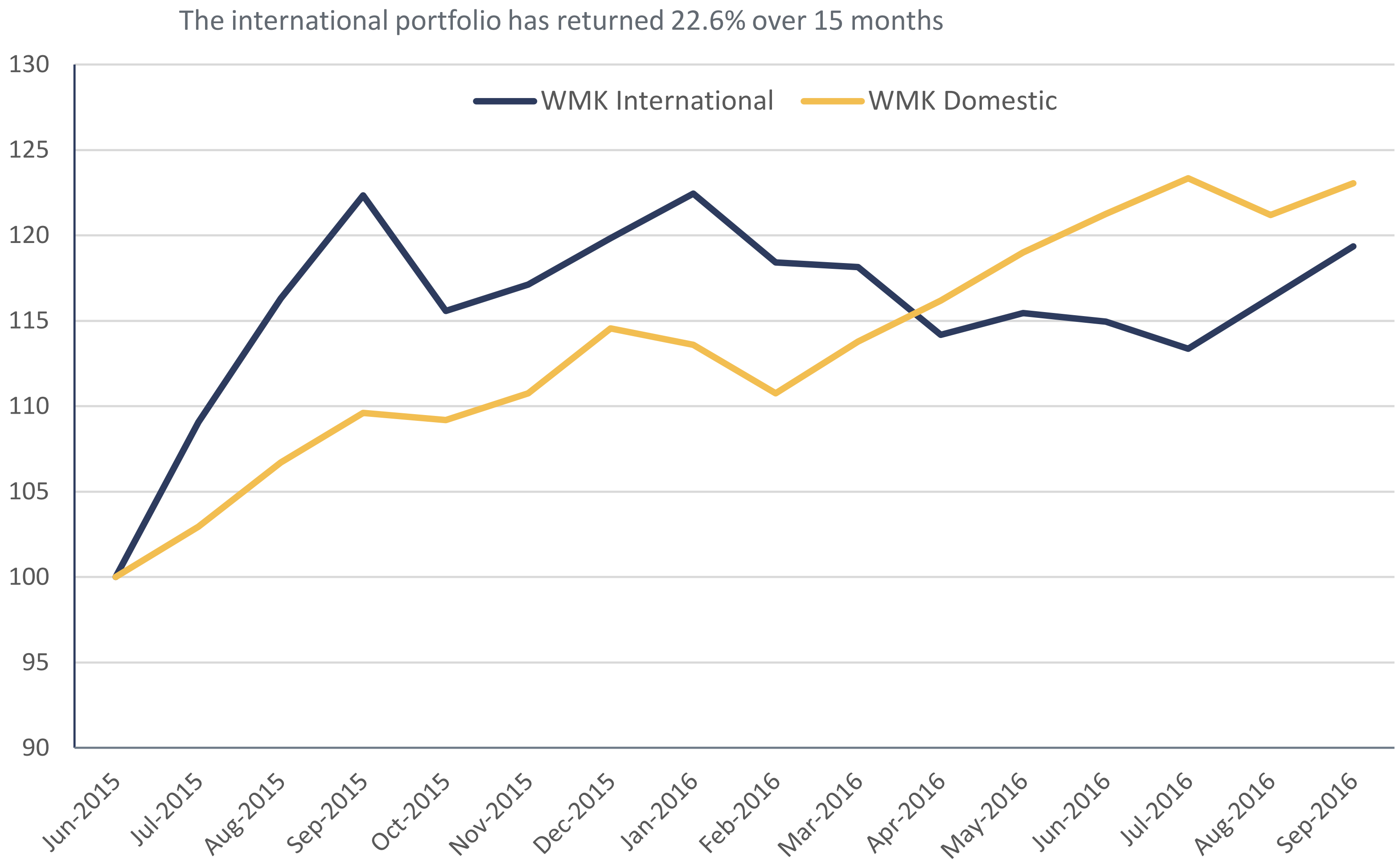
- **20th for annualised return since inception**
- 23rd for Sortino Ratio
- 22nd for Sharpe Ratio



Bennelong Long Short Equity Fund, Ellerston Australian Market Neutral Fund, Henderson Absolute Return Aus Equity Fund, Perpetual Pure Equity Alpha Fund, Regal Tasman Market Neutral Fund, Watermark Market Neutral Trust.

This chart displays a normal distribution of the annualised net returns for 453 market neutral strategies in the Preqin database as at the date of the prospectus. It is not a forecast and does not represent the future behaviour of the Company. Past performance is not indicative of future performance and the performance of the Company could be significantly different to the performance of other portfolios managed in the past by the Manager. There can be no certainty that the performance of the Company will be similar to the historic performance of WMK/WMNT.

Similar contribution from domestic and international



Estimated net returns of WMK's domestic and international funds. Estimated returns do not have any relation to the actual Fund return of any Watermark Fund. Estimated return assume 200% gross exposure model and an allowance for fees and costs

‘Winners’ and ‘Losers’ within industries

Materials		Financials		Healthcare		TMT		Consumer		Industrials	
L	S	L	S	L	S	L	S	L	S	L	S
HESS	Exxon	ING	RBS	MERCK	novo nordisk	vivendi	intel	Kroger	Walmart	BMW	TESLA
GOLDCORP	VALERO	WELLS FARGO	BMO	Celgene	GRIFOLS	NOKIA Connecting People	IBM	Pernod Ricard	PANDORA	Deutsche Post	GRAINGER

The winner and loser shares referred to in the following pages are examples. They are provided solely to illustrate the Manager’s investment philosophy and process. They are not to be taken as any indication that the Company will invest in the example stocks or that the Company’s investments will perform in a similar fashion. Past performance is not indicative of future performance.

For our existing shareholders

The Offer includes a Priority Allocation of up to 27,272,727 fully paid ordinary Shares and Options and is available to eligible investors in one or more of Australian Leaders Fund Limited, Watermark Market Neutral Fund Limited and Watermark Market Neutral Trust.

Terms of the Offer

Company name		**Watermark Global Leaders Fund Limited**
Investment Manager		Watermark Funds Management
ASX Codes	Shares and Options	WGF and WGFO
Investment Strategy		Global Equity Market Neutral
Offer Price		$1.10 per ordinary share
Issue Size	Min/Maximum/Overs	$40m/$110m/$150m
Offer Open		10 Nov 16
Offer Close	Broker Firm	2 Dec 16
	General Offer/Priority Offer	9 Dec 16
Shares Trading		21 Dec 16
Options	Conditions	1 option per ordinary share
	Strike Price, Expiry	$1.10, 16 Nov 2018
Investment Fees	Management Fee	1.2% (plus GST) per annum
	Performance Fee	20% (plus GST) out-performance v RBA Cash Rate
Syndicate	Corporate Advisor	Seed Partnerships
	Joint Lead Managers	Taylor Collison
		Morgans CIMB
		Morgan Stanley
		Ord Minnett
		CBA
	Board Members:	Rohan Hedley (Chairman/Independent Director)
		Philip Howard (Independent Director)
		Justin Braitling (Non-independent Director)
		Tim Bolger (Non-independent Director)

Important Dates

27 October 2016	Lodge the prospectus with ASIC / lodge Appendix 1A with ASX
7 November 2016	Offer Opens
2 December 2016	Broker Firm Offer closes
9 December 2016	Priority and General Offers close
16 December 2016	Allocation and holding statements dispatched
21 December 2016	Trading commences on ASX

More Information

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