



COURT APPROVES DISPATCH OF SCHEME BOOKLET AND SCHEME MEETING

March 6, 2019: Watermark Market Neutral Fund Limited (WMK, the Company) is pleased to announce that yesterday the Federal Court of Australia authorised the Company to convene a meeting of WMK Shareholders (Scheme Meeting) to consider and vote on the previously announced scheme of arrangement (Scheme) to delist the Company and convert it into an unlisted unit trust. The Court also approved the dispatch of the Scheme Booklet to WMK shareholders. The Scheme Meeting will be followed by an Extraordinary General Meeting of WMK shareholders, at which Shareholders will be asked to vote to approve the capital reduction which is necessary to give effect to the Scheme.

Scheme Booklets will be dispatched to Shareholders shortly and will set out the information Shareholders require to evaluate the Scheme. The Booklet will include the Notice of Scheme Meeting and Notice of Extraordinary General Meeting, along with a copy of the Independent Expert's Report (IER) and product disclosure statement for the Watermark Absolute Return Fund, a new unlisted registered managed investment scheme (New Trust). A copy of the Scheme Booklet and supporting documents will be available for download on the Watermark Funds Management website in due course.

INDEPENDENT EXPERT OPINION

The WMK Board appointed BDO Corporate Finance (East Coast) (Independent Expert) to undertake an independent assessment of the Scheme. The Independent Expert has concluded that the Scheme is in the best interests of WMK shareholders in the absence of a superior proposal. A copy of the IER will be annexed to the Scheme Booklet.

MEETING DETAILS

The Scheme Meeting will be held at 12:30pm (Sydney time) on Monday April 8, 2019 at Dexus Place, Level 15 Governor Macquarie Tower, 1 Farrer Place Sydney, NSW. The Extraordinary General Meeting will be held immediately after the Scheme Meeting at 1:15pm (Sydney time) at the same venue. WMK shareholders are able to vote at the Scheme Meeting in person or by completing and returning a proxy form to the share registry, Boardroom Limited, by 11:00am on Saturday April 6, 2019. Further details on how to vote on the Scheme will be included in the Scheme Booklet.

CALCULATION DATE

The Company's investments have now been converted to cash. The Company will undertake a final calculation of the value of its net assets (NAV) on the Calculation Date once all Scheme costs and other ordinary expenses have been paid and allowing for a Retention Amount of \$100,000 to satisfy payment of any transaction costs and other liabilities that remain outstanding after the Calculation Date. The final NAV will represent the value of the assets to be transferred to the New Trust if the Scheme is approved. The Calculation Date will be at 5:00pm on 25 March 2019. Shareholders will be notified of the final NAV on the Calculation Date, in advance of the Scheme Meeting.

FINAL TIMETABLE

Having now completed the review period by the Australian Securities and Investments Commission (ASIC) and having obtained orders from the Court, the Board wishes to advise of the following final timetable for the Scheme:

Event	Date
Calculation Date	5:00 pm, 25 March 2019
Latest time and date for lodgement of completed proxy forms for the Scheme Meeting	11:00am, 6 April 2019
Time and date for determining eligibility to vote at the Scheme Meeting	11:00am, 6 April 2019
Scheme Meeting	12:30pm, 8 April 2019
Second Court Date	10 April 2019
Effective Date	11 April 2019
Trading in WMK shares suspended	11 April 2019
Record Date	7:00pm (Sydney time), 16 April 2019
Implementation Date	23 April 2019

MANAGING YOUR INVESTMENT IN THE NEW TRUST

The Scheme Booklet will provide instructions for Shareholders who intend to redeem their units in the New Trust, after they have been issued pursuant to the Scheme. Redemption requests will be processed in accordance with the terms set out in the Product Disclosure Statement for the New Trust.

On 19 December 2018 the Board indicated that it would apply to have the New Trust admitted for inclusion on the Australian Securities Exchange's mFund settlement service. Following relevant investigations with ASX in relation to the mFund platform, the Board has decided that the New Trust will not be included on the mFund platform at this time.

Shareholders should expect to receive a Scheme Booklet shortly. 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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