

**WATERMARK GLOBAL LEADERS FUND LTD
TO RESTRUCTURE AS AN UNLISTED TRUST**

The Proposed Scheme is expected to:

- **Address the NTA discount: WGF Shareholders will be issued units with a value that reflects the Company's NTA, after transaction costs**
- **provide shareholders exposure to an unlisted investment vehicle, with lower operating costs and liquidity at NAV**
- **offer Shareholders access to founder units in the New Trust, with preferential wholesale fees.**

19 December 2018: The Board of Watermark Global Leaders Fund Limited (ASX:WGF, the Company) is pleased to announce its intention to implement a scheme of arrangement (Proposed Scheme) in conjunction with Watermark Funds Management Pty Ltd (WFM, the Manager) and an Independent Responsible Entity (RE).

As a result of the Proposed Scheme, WGF will be restructured to become an unlisted registered unit trust (New Trust). This would result in WGF Shareholders being issued units in the New Trust, with a value that reflects the Company's Net Tangible Asset Backing (NTA) after transaction costs. Subject to requisite approvals, the Proposed Scheme provides a solution to the issues of the Company's sub-optimal size and illiquidity in its current listed form; as highlighted by the Company's Chairman at the recent Annual General Meeting.

WGF is currently finalising the terms of a scheme implementation agreement containing standard conditions, which will be disclosed on the Australian Securities Exchange (ASX) once executed. WGF has appointed an independent expert to opine on the Proposed Scheme and has appointed legal counsel to assist in preparing the Scheme Booklet that will be sent to shareholders in due course.

Completion of the scheme will be subject to finalisation of the agreement, and other conditions precedent consistent with a transaction of this nature, including approval from Shareholders and the Court. The total cost to implement the scheme is expected to represent approximately 0.25 cents per share of WGF's NTA.

The Manager has indicated to the Board that another of its listed funds is proposing to implement a similar scheme. Completion of this scheme will not be conditional upon the approval of any other scheme.

Following completion of the Proposed Scheme, WGF shareholders will hold units in the New Trust. The New Trust will be a Registered Managed Investment Scheme, with an independent RE responsible for representing members' interests. The RE will appoint WFM as Investment Manager, which will operate under a new long/short investment mandate focusing primarily on Australian shares. Given the extreme volatility currently evident across global share markets, the Manger has indicated that it will move to wind down the Company's portfolio in advance of the Proposed Scheme.

WGF Shareholders will be issued units in a 'founder class' attracting a discounted management fee of 1% pa (WGF currently charges a management fee of 1.2%). Founder units will be issued with a 'fee cap' whereby operating expenses (excluding management and performance fees) are capped at 30bps of the Net Asset Value (NAV). Any additional costs will be borne by the Manager.

Once Shareholders have been issued their units, they may redeem all or part of their investment at NAV, pursuant to the terms of the New Trust. The New Trust intends to apply to the ASX to have founder units approved for inclusion in the mFund settlement service, enabling unitholders to buy and sell units in the New Trust via a stockbroker or other advisory service, used to transact shares. Admission to the mFund service will ultimately be at the discretion of the ASX.

In the new year, Shareholders will receive a Scheme Booklet, which will set out the details of the proposed transaction, along with the benefits and risks that shareholders need to consider.

An indicative Scheme timetable is set out below.

Event	Indicative Date
Announcement of Proposed Scheme	19 December 2018
Scheme Implementation Agreement executed, and New Trust established	Early January 2019
Scheme Booklet lodged with ASIC	Late January 2018
First Court Date	18 February 2019
Despatch of Scheme Booklet to shareholders	22 February 2019
Scheme Meeting	25 March 2019
Second Court Date	27 March 2019
Effective Date – Lodge Court order approving Scheme with ASIC	28 March 2019
Record Date	2 April 2019
Implementation Date (units in the New Trust issued)	8 April 2019

- END -

About Watermark Global Leaders Fund

Watermark Global Leaders Fund Limited (ASX:WGF) is a Listed Investment Company, managed by Watermark Funds Management Pty Limited. Listed in December 2016, WGF provides exposure to Watermark's deep experience managing market neutral strategies. WGF has the objective of providing consistent, positive rates of return with relatively low volatility which are uncorrelated with the broader share market. Investing in the largest listed companies, registered predominantly in North America, Europe and developed Asia, WGF's unique global market neutral approach allows the Manager to access leading companies and industries from around the world, while retaining a fully hedged exposure to shares and foreign exchange movements. For more information, please call Tim Bolger on 02 9251 8227