

MEDIA RELEASE

Watermark Global Leaders Fund closes IPO

Strong demand from self-directed investors for Australia's first locally managed global market neutral strategy

Tuesday, 13 December 2016 – Australia's first locally-managed global market neutral fund, Watermark Global Leaders Fund Limited (ASX: WGF), has closed its initial public offering, raising over \$90 million from self-directed investors.

The IPO of WGF, the third listed investment company managed by Watermark Funds Management (Watermark), takes Watermark's total funds under management to over \$700 million.

The IPO has an issue price of \$1.10 per share. Investors will also receive one option for every share issued under the Offer (ASX: WGFO). Trading on the ASX is expected to commence on 21 December 2016.

WGF provides investors with access to an actively managed portfolio of global equities in a market neutral structure. WGF's market neutral structure uses long and short positions to deliver consistent, positive returns through market cycles with no correlation to the share market.

Watermark has a strong, long-term, track record implementing market neutral strategies of this nature, delivering a 22.6% return on its global portfolio over the past 15 months.

Watermark Founder and Chief Investment Officer Justin Braitling said the LIC has resonated with investors looking to take advantage of opportunities in global shares without having to worry about volatility in the share market.

"For an alternative strategy in the current investment environment, this is a great result. WGF represents Watermark's third and largest LIC raising to date and we are excited about the global LIC as a key pillar of growth of the Watermark business.

"WGF gives investors the opportunity to achieve stronger, more consistent performance amidst the current volatility, and reduced equity market risk. WGF's strategy hedges out market and sector risks.

"Currency exposures are also hedged. This means market neutral funds such as WGF can still rise during volatile markets," said Mr Braitling.

Watermark's Corporate Adviser is Seed Partnerships. Joint Lead Managers include Taylor Collison, CommSec, Morgans, Morgan Stanley and Ord Minnett.

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About Watermark:

Watermark Funds Management Pty Ltd is a boutique hedge fund with assets under management in excess of AU\$600million. Established in 2004 by Justin Braitling, Watermark is a specialist long/short investor, offering a range of listed and unlisted investment products to retail and



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institutional investors. Watermark employs a fundamental research process in identifying securities that it believes are mispriced. Long and short portfolios are built around Watermark's best investment ideas, while managing share market risk through the natural hedge in the structure.